Fuzzy Inventory Model for Weibull Deteriorating Items, with Time Depended Demand, Shortages, and Partially Backlogging

Wasim Akram Mandal, Sahidul Islam

Abstract: In this paper fuzzy inventory model for deteriorating item with time depended demand rate, shortages under partially backlogged is formulated and solved. The backlogging rate is taken to be inversely proportional to the waiting time for the next replenishment. Fuzziness is applying by allowing the cost components (holding cost, shortage cost, etc). In fuzzy environment it considered all required parameter to be triangular fuzzy numbers. The purpose of the model is to minimize total cost function.

Keywords: Inventory, Deteriorating, Fuzzy number, Shortages, Partially backlogged, Triangular fuzzy number.

I. INTRODUCTION

An inventory deal with decision that minimum the total average cost or maximize The total average profit. For this purpose the task is to construct a mathematical model of the real life. Inventory system, such a mathematical model is based on various assumption and approximation. In a inventory model deterioration play an important role. Deterioration is defined as decay or damage in the quality of the inventory. Foods, Drugs, pharmaceuticals etc are deteriorating items. During inventory there have some losses of this deteriorating items, consequently this loss must be taken into account when analyzing the system. Shortages is also a very important condition. There are several type of customer. At shortage period some customers are waiting for actual product and others do not it. For this it consider partially- backlogging. In ordinary inventory model it consider all parameter like shortage cost, holding cost, unit cost as fixed. But in real life situation it will have some little fluctuations. So consideration of fuzzy variables is more realistic. The study of inventory model where demand rates varies with time is the last decades. Datta and pal discussed an inventory model with shortage.Gen et. Al. (1997) considered classical inventory model with Triangular fuzzy number.

II. PRELIMINARIES

For graded representation method to defuzzfy, we need the following definitions,

Definition2.1: A fuzzy set \( A \) on the given universal set \( X \) is a set of order pairs, 
\[ A=\{(x,\mu_A(x)): x\in X\} \]
where \( \mu_A(x)\rightarrow[0,1] \) is called a membership function.

Definition2.2:The \( \alpha \)-cut of \( A \), is defined by \( A_\alpha=\{x: \mu_A(x)=\alpha, \alpha \geq 0\} \)

Definition2.3: \( A \) is normal if there exists \( x\in X \) such that \( \mu_A(x)=1 \)

Definition2.4:A triangular fuzzy number \( \hat{A}=(a,b,c) \) is represented with membership function \( \hat{A} \).

\( \hat{A} \) is defined as,
\[ \mu_{\hat{A}}(X)=\begin{cases} L(x)=\frac{x-a}{b-a}, & a \leq x \leq b \\ R(x)=\frac{c-x}{c-b}, & b \leq x \leq c \\ 0, & \text{otherwise} \end{cases} \]

when \( a=b=c \), we have fuzzy point \((a,a,a)=\hat{a}\).

The family of all triangular fuzzy number on \( R \), denoted as \( F_3\{[a,b,c], a+b+c, \forall a,b,c \in \mathbb{R}\} \).

The \( \alpha \)-cut of \( \hat{A}=(a,b,c) \) is 
\[ A_\alpha=\{\hat{A}(x)=\alpha, \alpha \in \mathbb{R}\} \]

where \( A_l(\alpha)=a+(b-a)\alpha \) and \( A_r(\alpha)=c-(c-b)\alpha \) are the left and right end

Point of \( A(\alpha) \).

Definition2.5: If \( \hat{A}=(a,b,c) \) is a triangular fuzzy number then the graded mean integration of \( \hat{A} \) is defined as,
\[ P(\hat{A})=\frac{\int_0^{w_A} h dh}{\int_0^{w_A} h dh} \]

\( 0 \leq h \leq w_A \) and \( \leq w_A \leq 1 \)

\[ P(\hat{A})=\frac{\int_0^{w_A} h dh}{\int_0^{w_A} h dh} \]

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Yao and Lee(1998) considered an economic production quantity model in the fuzzy sense. Sujit Kumar De, P.K.Kundu and A.Goswami(2003) presented an economic production quantity inventory model involving fuzzy demand rate. J.K.Syde and L.A.Aziz(2007) applied sign distance method to fuzzy inventory model without shortage . D.Datta and Pravin Kumar published several paper of fuzzy inventory with or without shortage. In this paper we first consider crisp inventory model with time depended demand where shortage are allowed and partially backlogged. Thereafter we developed fuzzy inventory model with fuzzy time depended demand rate under partially backlogged. All inventory cost parameters are fuzzified as triangular fuzzy number.
So the fixed cost per cycle is,
\[ I(t) = c(1 - t)(1 - t) = c - ct. \]

Suppose \( \hat{a} = (a_1, a_2, a_3) \) and \( \hat{b} = (b_1, b_2, b_3) \) are two fuzzy triangular number then
\[
\begin{align*}
(1) & \quad \hat{a} + \hat{b} = (a_1, a_2, a_3) + (b_1, b_2, b_3) = (a_1 + b_1, a_2 + b_2, a_3 + b_3), \\
(2) & \quad \hat{a} - \hat{b} = (a_1, a_2, a_3) - (b_1, b_2, b_3) = (a_1 - b_1, a_2 - b_2, a_3 - b_3), \\
(3) & \quad \hat{a} \times \hat{b} = (a_1, a_2, a_3) \times (b_1, b_2, b_3) = (a_1b_1, a_2b_2, a_3b_3), \\
(4) & \quad \frac{1}{b} = (\frac{1}{b_1}, \frac{1}{b_2}, \frac{1}{b_3}) \text{ where } b_1, b_2, b_3 \text{ are all non zero positive real number, then} \\
\frac{\hat{a}}{b} = (\frac{a_1}{b_1}, \frac{a_2}{b_2}, \frac{a_3}{b_3}). \\
(5) & \quad \text{Let } k \in \mathbb{R}, \text{ then } k\hat{a} = k(a_1, a_2, a_3) = (ka_1, ka_2, ka_3) \text{ for } k \geq 0.
\end{align*}
\]

### III. NOTATION

- **T**: Cycle of length.
- **t**: Time point, when demand rate start with \((c-dt)\).
- **t_1**: Time point when stock level reaches to zero.
- **c**: Fixed cost.
- **c_d**: Shortages cost per unit.
- **c_c**: Deteriorating cost per unit.
- **c_h**: Holding cost per unit.
- **c_b**: Opportunity cost due to lost sales.
- **Q**: Highest stock level at the beginning of the cycle.
- **TAC(t_0, t_1)**: Total average cost per unit.
- **\hat{c}_c**: Fuzzy fixed cost.
- **\hat{c}_d**: Fuzzy shortage cost per unit.
- **\hat{c}_c**: Fuzzy deteriorating cost per unit.
- **\hat{c}_h**: Fuzzy holding cost per unit.
- **\hat{c}_b**: Fuzzy opportunity cost due to lost sale.
- **TAC(t_0, t_1)**: Fuzzy total cost per unit.

### 3.1. ASSUMPTION:

- **a**: The inventory system involves only one item.
- **b**: The replenishment occur instantaneously at infinite rate.

With boundary condition \( I(t_1) = 0 \)
\[
\frac{di(t)}{dt} = (c-dt) \quad t_1 \leq T
\]

With boundary condition \( I(t_1) = 0 \).
\[
\alpha, \delta \text{ is too small, so neglecting higher power of } \alpha, \delta.
\]

From (3.1) we get, \[
I(t) = Q(1 - \alpha t^\beta) - a(t + \frac{\alpha}{\beta + 1} t^\beta + 1) + a \alpha t^\beta + b(t^\beta + \frac{\alpha}{\beta + 2} t^\beta + 2). \tag{3.4}
\]

From (3.2) we get, \[
I(t) = c(t_1 - t)(1 - \alpha t^\beta + b) = c(t_1 - t) - \alpha t^\beta + 1 - b(\frac{t^\beta + 2}{t^\beta + 2} + \frac{\alpha}{\beta + 2} t^\beta + 2). \tag{3.5}
\]

From (3.3) we get, \[
I(t) = c(t - t_1)^2 \delta(t^2 - t_1^2) - \delta c(t^2 - t_1^2). \tag{3.6}
\]

So the fixed cost per cycle is, \[
\text{FC} = c_f
\]

Shortage cost per cycle is, \[
\text{Sc} = c_f \int_{t_1}^{T} I(t) dt
\]

Deteriorating cost per cycle is, \[
\text{Dc} = c_d \int_{0}^{T} \alpha t^\beta - 1 I(t) dt + c_d \int_{t_1}^{t_w} \alpha t^\beta - 1 I(t) dt
\]

During \(0 \leq t_1 \leq t_0\) the inventory level decrease due to customer demand rate \((\text{demand}=a+bt)\) and deteriorating items.
During \(t_0 \leq t_1 \leq T\) the inventory level decrease due to customer demand rate \((\text{demand}=c-dt)\), deteriorating items and reaches to zero at \(t_1\). In the time interval \(t_1 \leq t \leq T\) shortages with partially backlogged allowed.

The differential equation describing \(I(t)\) as follows \[
\frac{di(t)}{dt} + \alpha \beta t^\beta - 1 I(t) = -(a + bt), \quad 0 \leq t \leq T \tag{3.1}
\]

With boundary condition \(I(0) = Q, I(t_1) = 0\).
\[
\frac{di(t)}{dt} + \alpha \beta t^\beta - 1 I(t) = -(c - dt), \quad w \leq t \leq T \tag{3.2}
\]
Opportunity cost due to lost sales is, 

\[ OC = c_0 \delta_t [T(t_1)] \left[ \frac{t_1 - t}{1 + \delta(t - t)} \right] dt \]

So total average cycle per cycle is, 

\[ TAC(t_1) = \frac{1}{T} \left[ FC + SC + DC + HC + OC \right] \]

For minimum cost it should be, 

\[ \frac{\partial^2 TAC(t_{w1})}{\partial t_{w1}^2} > 0, \quad \frac{\partial^2 TAC(t_{w1})}{\partial t_1^2} > 0 \]

And 

\[ \frac{\partial^2 TAC(t_{w1})}{\partial t_{w1} \partial t_1} \left[ \frac{\partial^2 TAC(t_{w1})}{\partial t_{w1}^2} \right] - \left[ \frac{\partial^2 TAC(t_{w1})}{\partial t_1^2} \right] > 0 \]

### 3.3 FUZZY MODEL:

Due to uncertainly let us assume that, 

\[ \tilde{C_1} = (c_1^1, c_1^2, c_1^3), \quad \tilde{C_2} = (c_2^1, c_2^2, c_2^3), \quad \tilde{C_3} = (c_3^1, c_3^2, c_3^3) \]

be triangular fuzzy number then the total average cost is given by, 

\[ TAC(t_1) = \frac{1}{T} \left[ FC + SC + DC + HC + OC \right] \]

We defuzzify the fuzzy total cost \( TAC(t_1) \) by graded mean representation method as follows, 

\[ TAC(t_1) = \frac{1}{T} \left[ FC(T_1) + SC(T_1) + DC(T_1) + HC(T_1) + OC(T_1) \right] \]

Where 

\[ FC(T_1) = \frac{1}{T} \left[ FC1(t_{w1}) + FC2(t_{w1}) + FC3(t_{w1}) \right] \]

\[ SC(T_1) = \frac{1}{T} \left[ SC1(t_{w1}) + SC2(t_{w1}) + SC3(t_{w1}) \right] \]

\[ DC(T_1) = \frac{1}{T} \left[ DC1(t_{w1}) + DC2(t_{w1}) + DC3(t_{w1}) \right] \]

\[ HC(T_1) = \frac{1}{T} \left[ HC1(t_{w1}) + HC2(t_{w1}) + HC3(t_{w1}) \right] \]

\[ OC(T_1) = \frac{1}{T} \left[ OC1(t_{w1}) + OC2(t_{w1}) + OC3(t_{w1}) \right] \]
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For minimum cost it should be,
\[
\frac{\partial TAC(t_{w}, t_{1})}{\partial t_{w}}=0, \quad \frac{\partial TAC(t_{w}, t_{1})}{\partial t_{1}}=0
\]
Provided it satisfies,
\[
\frac{\partial^{2}TAC(t_{w}, t_{1})}{\partial t_{w}^{2}} > 0, \quad \frac{\partial^{2}TAC(t_{w}, t_{1})}{\partial t_{1}^{2}} > 0
\]
And
\[
\left| \frac{\partial^{2}TAC(t_{w}, t_{1})}{\partial t_{w} \partial t_{1}} \right| > 0.
\]

IV. NUMERICAL SOLUTION

For crisp model: Let us take the input value:

<table>
<thead>
<tr>
<th>( t_{w} )</th>
<th>( t_{1} )</th>
<th>( TAC(t_{w}, t_{1}) )</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.454</td>
<td>0.647</td>
<td>1542.370</td>
</tr>
</tbody>
</table>

For fuzzy model:
\( \tilde{c}_{1} = (90, 100, 110), \tilde{c}_{2} = (15, 20, 25), \tilde{c}_{3} = (8, 10, 12), \tilde{c}_{4} = (3, 4, 5), \tilde{c}_{5} = (6, 8, 10) \)

The solution of fuzzy model by graded mean representation is,

1. When \( \tilde{c}_{1}, \tilde{c}_{2}, \tilde{c}_{3}, \tilde{c}_{4}, \tilde{c}_{5} \) are all triangular fuzzy numbers then,
   \( TAC(t_{1}) = 1564.2372, \ t_{w} = 0.454, \ t_{1} = 0.648 \)
2. When \( \tilde{c}_{1}, \tilde{c}_{2}, \tilde{c}_{3}, \tilde{c}_{4} \) are all triangular fuzzy numbers then
   \( TAC(t_{1}) = 1565.225, \ t_{w} = 0.454, \ t_{1} = 0.648 \)
3. When \( \tilde{c}_{1}, \tilde{c}_{2}, \tilde{c}_{3} \) are triangular fuzzy numbers then,
   \( TAC(t_{1}) = 1542.362, \ t_{w} = 0.454, \ t_{1} = 0.645 \)
4. When \( \tilde{c}_{1}, \tilde{c}_{2} \) are triangular fuzzy numbers then,
   \( TAC(t_{1}) = 1542.173, \ t_{w} = 0.454, \ t_{1} = 0.646 \)
5. When \( \tilde{c}_{1} \) is triangular fuzzy number then,
   \( TAC(t_{1}) = 1542.370, \ t_{w} = 0.454, \ t_{1} = 0.647 \)

V. SENSITIVITY ANALYSIS

We now examine to sensitivity analysis of the optimal solution of the model for change in \( I \), keeping the other parameters unchanged. The initial data from the above numerical example.

<table>
<thead>
<tr>
<th>( C_{i} )</th>
<th>( % ) of change</th>
<th>( TAC(t_{w}, t_{1}) )</th>
<th>( t_{w} )</th>
<th>( t_{1} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.0</td>
<td>-50</td>
<td>1492.370</td>
<td>0.454</td>
<td>0.647</td>
</tr>
<tr>
<td>75.0</td>
<td>-25</td>
<td>1517.370</td>
<td>0.454</td>
<td>0.647</td>
</tr>
<tr>
<td>100.0</td>
<td>0</td>
<td>1542.370</td>
<td>0.454</td>
<td>0.647</td>
</tr>
<tr>
<td>125.0</td>
<td>25</td>
<td>1567.370</td>
<td>0.454</td>
<td>0.647</td>
</tr>
<tr>
<td>150.0</td>
<td>50</td>
<td>1592.370</td>
<td>0.454</td>
<td>0.647</td>
</tr>
<tr>
<td>175.0</td>
<td>75</td>
<td>1617.370</td>
<td>0.454</td>
<td>0.647</td>
</tr>
<tr>
<td>200.0</td>
<td>100</td>
<td>1642.370</td>
<td>0.454</td>
<td>0.647</td>
</tr>
</tbody>
</table>

5.1(a) Effect, for increment parameters-
1. \( TAC(t_{w}, t_{1}) \) increase, for increase of \( C_{1} \).
2. \( TAC(t_{w}, t_{1}) \) increase slowly, for increase of \( C_{2} \).
3. \( TAC(t_{w}, t_{1}) \) increase rapidly, for increase of \( C_{3} \).
4. \( TAC(t_{w}, t_{1}) \) increase rapidly, for increase of \( C_{4} \).
5. \( TAC(t_{w}, t_{1}) \) increase slowly, for increase of \( C_{5} \).

VI. CONCLUSION

In this paper, we have proposed a real life inventory problem in a fuzzy environment and presented solution along with sensitivity analysis approach. The inventory model developed with time depended demand, with shortages. Shortages have been allow partially backlogged in this model. Here demand rate considered as \( (a+bt) \) in \( 0 \leq t_{w} \leq t_{1} \). This model has been developed for single item. In this paper, we have considered triangular fuzzy number and solved by graded mean integration method. In future, the other type of membership functions such as piecewise linear hyperbolic, L-R fuzzy number, trapezoidal fuzzy number, pentagonal fuzzy number etc can be considered to construct the membership function and then model can be easily solved.

REFERENCE

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