Applied Probability Models With Optimization Applications

"In formulating a stochastic model to describe a real phenomenon, it used to be that one compromised between choosing a model that is a realistic replica of the actual situation and choosing one whose mathematical analysis is tractable. That is, there did not seem to be any payoff in choosing a model that faithfully conformed to the phenomenon under study if it were not possible to mathematically analyze that model. Similar considerations have led to the concentration on asymptotic or steady-state results as opposed to the more useful ones on transient time. However, the relatively recent advent of fast and inexpensive computational power has opened up another approach--namely, to try to model the phenomenon as faithfully as possible and then to rely on a simulation study to analyze it"--

This book presents a radically new approach to problems of evaluating and optimizing the performance of continuous-time stochastic systems. This approach is based on the use of a family of Markov processes called Piecewise-Deterministic Processes (PDPs) as a general class of stochastic system models. A PDP is a Markov process that follows deterministic trajectories between random jumps, the latter occurring either spontaneously, in a Poisson-like fashion, or when the process hits the boundary of its state space. This formulation includes an enormous variety of applied problems in engineering, operations research, management science and economics as special cases; examples include queueing systems, stochastic scheduling, inventory control, resource allocation problems, optimal planning of production or exploitation of renewable or non-renewable resources, insurance analysis, fault detection in process systems, and tracking of maneuvering targets, among many others. The first part of the book shows how these applications lead to the PDP as a system model, and the main properties of PDPs are derived. There is particular emphasis on the so-called extended generator of the process, which gives a general method for calculating expectations and distributions of system performance functions. The second half of the book is devoted to control theory for PDPs, with a view to controlling PDP models for optimal performance: characterizations are obtained of optimal strategies both for continuously-acting controllers and for control by intervention (impulse control). Throughout the book, modern methods of stochastic analysis are used, but all the necessary theory is developed from scratch and presented in a self-contained way. The book will be useful to engineers and scientists in the application areas as well as to mathematicians interested in applications of stochastic analysis.

The Athens Conference on Applied Probability and Time Series in 1995 brought together researchers from across the world. The published papers appear in two volumes. Volume I includes papers on applied probability in Honor of J.M. Gani. The topics include probability and probabilistic methods in recursive algorithms and stochastic models, Markov and other stochastic models such as Markov chains, branching processes and semi-Markov systems, biomathematical and genetic models, epidemilogical models including S-I-R (Susceptible-Infective-Removal), household and AIDS epidemics, financial models for option pricing and optimization problems, random walks, queues and their waiting times, and spatial models for earthquakes and inference on spatial models.

Applied Probability and Stochastic Processes, Second Edition presents a self-contained introduction to elementary probability theory and stochastic processes with a special emphasis on their applications in science, engineering, finance, computer science, and operations research. It covers the theoretical foundations for modeling time-dependent random phenomena in these areas and illustrates applications through the analysis of numerous practical examples. The author draws on his 50 years of experience in the field to give your students a better understanding of probability theory and stochastic processes and enable them to use stochastic modeling in their work. New to the Second Edition Completely rewritten part on probability theory–now more than double in size New sections on time series analysis, random walks, branching processes, and spectral analysis of stationary stochastic processes Comprehensive numerical discussions of examples, which replace the more theoretically challenging sections Additional examples, exercises, and figures Presenting the material in a student-friendly, application-oriented manner, this non-measure theoretic text only assumes a mathematical maturity that applied science students acquire during their undergraduate studies in mathematics. Many exercises allow students to assess their understanding of the topics. In addition, the book occasionally describes connections between probabilistic concepts and corresponding statistical approaches to facilitate comprehension. Some important proofs and challenging examples and exercises are also included for more theoretically interested readers.

Encyclopedia of Statistical Sciences, Volume 1

Reliability

Volume I: Applied Probability In Honor of J.M. Gani

Stochastic Reliability Modeling, Optimization and Applications

Estimation, Simulation, and Control

This accessible textbook demonstrates how to recognize, simplify, model and solve optimization problems - and apply these principles to new projects.

This rapidly developing field encompasses many disciplines including operations research, mathematics, and probability. Conversely, it is being applied in a wide variety of subjects ranging from agriculture to financial planning and from industrial engineering to computer networks. This textbook provides a first course in stochastic programming suitable for students with a basic knowledge of linear programming, elementary analysis, and probability. The authors present a broad overview of the main themes and methods of the subject, thus helping students develop an intuition for how to model uncertainty into mathematical problems, what uncertainty changes bring to the decision process, and what techniques help to manage uncertainty in solving the problems. The early chapters introduce some worked examples of stochastic programming, demonstrate how a stochastic model is formally built, develop the properties of stochastic programs and the basic solution techniques used to solve them. The book then goes on to cover approximation and sampling techniques and is rounded off by an in-depth case study. A well-paced and wide-ranging introduction to this subject.

This textbook on the basics of option pricing is accessible to readers with limited mathematical training. It is for both professional traders and undergraduates studying the basics of finance. Assuming no prior knowledge of probability, Sheldon M. Ross offers clear, simple explanations of arbitrage, the Black-Scholes option pricing formula, and other topics such as utility functions, optimal portfolio selections, and the capital assets pricing model. Among the many new features of this third edition are new chapters on Brownian motion and geometric Brownian motion, stochastic order relations and stochastic dynamic programming, along with expanded sets of exercises and references for all the chapters.

A unique interdisciplinary foundation for real-world problemsolving Stochastic search and optimization techniques are used in a vastnumber of areas, including aerospace, medicine, transportation, andfinance, to name but a few. Whether the goal is refining the designof a missile or aircraft, determining the effectiveness of a newdrug, developing the most efficient timing strategies for trafficsignals, or making investment decisions in order to increaseprofits, stochastic algorithms can help researchers andpractitioners devise optimal solutions to countless real-worldproblems. Introduction to Stochastic Search and Optimization: Estimation,Simulation, and Control is a graduate-level introduction to theprinciples, algorithms, and practical aspects of stochasticoptimization, including applications drawn from engineering,statistics, and computer science. The treatment is both rigorousand broadly accessible, distinguishing this text from much of thecurrent literature and providing students, researchers, andpractitioners with a strong foundation for the often-daunting taskof solving real-world problems. The text covers a broad range of today's most widely usedstochastic algorithms, including: Random search Recursive linear estimation Stochastic approximation Simulated annealing Genetic and evolutionary methods Machine (reinforcement) learning Model selection Simulation-based optimization Markov chain Monte Carlo Optimal experimental design The book includes over 130 examples, Web links to software anddata sets, more than 250 exercises for the reader, and an extensivelist of references. These features help make the text an invaluableresource for those interested in the theory or practice ofstochastic search and optimization.

An Introduction to Continuous Optimization

Statistical Learning with Sparsity

Ruin Probabilities

Gaussian Process Modeling, Design, and Optimization for the Applied Sciences

Mathematics for Machine Learning

Optimization models play an increasingly important role in financial decisions. This is the first textbook devoted to explaining how recent advances in optimization models, methods and software can be applied to solve problems in computational finance more efficiently and accurately. Chapters discussing the theory and efficient solution methods for all major classes of optimization problems alternate with chapters illustrating their use in modeling problems of mathematical finance. The reader is guided through topics such as volatility estimation, portfolio optimization problems and constructing an index fund, using techniques such as nonlinear optimization models, quadratic programming formulations and integer programming models respectively. The book is based on Master's courses in financial engineering and comes with worked examples, exercises and case studies. It will be welcomed by applied mathematicians, operational researchers and others who work in mathematical and computational finance and who are seeking a text for self-learning or for use with courses.

This book introduces readers to Bayesian optimization, highlighting advances in the field and showcasing its successful applications to computer experiments. R code is available as online supplementary material for most included examples, so that readers can better comprehend and reproduce methods. Compact and accessible, the volume is broken down into four chapters. Chapter 1 introduces the reader to the topic of computer experiments; it includes a variety of examples across many industries. Chapter 2 focuses on the task of surrogate model building and contains a mix of several different surrogate models that are used in the computer modeling and machine learning communities. Chapter 3 introduces the core concepts of Bayesian optimization and discusses unconstrained optimization. Chapter 4 moves on to constrained optimization, and showcases some of the most novel methods found in the field. This will be a useful companion to researchers and practitioners working with computer experiments and computer modeling. Additionally, readers with a background in machine learning but minimal background in computer experiments will find this book an interesting case study of the applicability of Bayesian optimization outside the realm of machine learning.

Introduction to Probability Models, Tenth Edition, provides an introduction to elementary probability theory and stochastic processes. There are two approaches to the study of probability theory. One is heuristic and nonrigorous, and attempts to develop in students an intuitive feel for the subject that enables him or her to think probabilistically. The other approach attempts a rigorous development of probability by using the tools of measure theory. The first approach is employed in this text. The book begins by introducing basic concepts of probability theory, such as the random variable, conditional probability, and conditional expectation. This is followed by discussions of stochastic processes, including Markov chains and Poison processes. The remaining chapters cover queuing, reliability theory, Brownian motion, and simulation. Many examples are worked out throughout the text, along with exercises to be solved by students. This book will be particularly useful to those interested in learning how probability theory can be applied to the study of phenomena in fields such as engineering, computer science, management science, the physical and social sciences, and operations research. Ideally, this text would be used in a one-year course in probability models, or a one-semester course in introductory probability theory or a course in elementary stochastic processes. New to this Edition: 65% new chapter material including coverage of finite capacity queues, insurance risk models and Markov chains Contains compulsory material for new Exam 3 of the Society of Actuaries containing several sections in the new exams Updated data, and a list of commonly used notations and equations, a robust ancillary package, including a ISM, SSM, and test bank Includes SPSS PASW Modeler and SAS JMP software packages which are widely used in the field Hallmark features: Superior writing style Excellent exercises and examples covering the wide breadth of coverage of probability topics Real-world applications in engineering, science, business and economics

This book has been designed for senior engineering, mathematics and systems science students. In addition, the author has used the optional, advanced sections as the basis for graduate courses in quality control and queueing. It is assumed that the students have taken a first course in probability but that some need a review. Discrete models are emphasized and examples have been chosen from the areas of quality control and telecommunications. The book provides correct, modern mathematical methods and at the same time conveys the excitement of real applications.

With Applications in Queues, Finance, and Supply Chains

Optimization Models

Continuous-time Stochastic Control and Optimization with Financial Applications

Stochastic Optimization Methods

Applied Probability and Stochastic Processes

Optimization problems involving stochastic models occur in almost all areas of science and engineering, such as telecommunications, medicine, and finance. Their existence compels a need for rigorous ways of formulating, analyzing, and solving such problems. This book focuses on optimization problems involving uncertain parameters and covers the theoretical foundations and recent advances in areas where stochastic models are available. Readers will find coverage of the basic concepts of modeling these problems, including recourse actions and the nonanticipativity principle. The book also includes the theory of two-stage and multistage stochastic programming problems; the current state of the theory on chance (probabilistic) constraints, including the structure of the problems, optimality theory, and duality; and statistical inference in and risk-averse approaches to stochastic programming.

Applied Probability Models with Optimization ApplicationsCourier Corporation

This volume collects papers, based on invited talks given at the IMA workshop in Modeling, Stochastic Control, Optimization, and Related Applications, held at the Institute for Mathematics and Its Applications, University of Minnesota, during May and June, 2018. There were four week-long workshops during the conference. They are (1) stochastic control, computation methods, and applications, (2) queueing theory and networked systems, (3) ecological and biological applications, and (4) finance and economics applications. For broader impacts, researchers from different fields covering both theoretically oriented and application intensive areas were invited to participate in the conference. It brought together researchers from multi-disciplinary communities in applied mathematics, applied probability, engineering, biology, ecology, and networked science, to review, and substantially update most recent progress. As an archive, this volume presents some of the highlights of the workshops, and collect papers covering a broad range of topics.

Stochastic optimization problems arise in decision-making problems under uncertainty, and find various applications in economics and finance. On the other hand, problems in finance have recently led to new developments in the theory of stochastic control. This volume provides a systematic treatment of stochastic optimization problems applied to finance by presenting the different existing methods: dynamic programming, viscosity solutions, backward stochastic differential equations, and martingale duality methods. The theory is discussed in the context of recent developments in this field, with complete and detailed proofs, and is illustrated by means of concrete examples from the world of finance: portfolio allocation, option hedging, real options, optimal investment, etc. This book is directed towards graduate students and researchers in mathematical finance, and will also benefit applied mathematicians interested in financial applications and practitioners wishing to know more about the use of stochastic optimization methods in finance.

Markov Models & Optimization

Introduction to Stochastic Search and Optimization

Applied Probability Models with Optimization Applications. Ross

Modeling and Theory

Bayesian Optimization with Application to Computer Experiments

Rosss classic bestseller has been used extensively by professionals and as the primary text for a first undergraduate course in applied probability. With the addition of several new sections relating to actuaries, this text is highly recommended by the Society of Actuaries.

"Reliability theory and applications become major concerns of engineers and managers engaged in making high quality products and designing highly reliable systems. This book aims to survey new research topics in reliability theory and useful applied techniques in reliability engineering." "The reader will learn new topics and techniques, and how to apply reliability models to actual ones. The book will serve as an essential guide to a subject of study for graduate students and researchers and as a useful guide for reliability engineers engaged not only in maintenance work but also in management and computer works." --Book Jacket.

Concise advanced-level introduction to stochastic processes that arise in applied probability. Poisson process, renewal theory, Markov chains, Brownian motion, much more. Problems. References. Bibliography. 1970 edition.

This treatment focuses on the analysis and algebra underlying the workings of convexity and duality and necessary/sufficient local/global optimality conditions for unconstrained and constrained optimization problems. 2015 edition.

Uncertainty Quantification and Stochastic Modeling with Matlab

Modeling, Stochastic Control, Optimization, and Applications

Modeling, Prediction, and Optimization

Applications in Engineering and Operations Research

Introduction to Probability Models, Student Solutions Manual (e-only)

This books covers the broad range of research in stochastic models and optimization. Applications presented include networks, financial engineering, production planning, and supply chain management. Each contribution is aimed at graduate students working in operations research, pr statistics.

"This book intends to highlight how the Theory of Probability supports, not only statistical modeling but how it allows describing different real life phenomena. It gives clues for understanding the philosophic roots of probability and how they are present in different areas of knowledge. The use the book as a source for understanding the philosophical development of probability concepts and of the intents to obtain mathematical models. The chapters deal with the understanding of how probability models are usable for determining: A Probabilistic model of the best flight val on paper of a helicopter How to model the improvement of the behavior of water heating systems and of the reliability of systems Models for determining the probability of non responses in inquiries and to evaluate the missing data. The modeling of various problems related with the beh models of use in decision rules and of general properties of Order Statistics. A unified study of the probabilistic aspects of two Metaheuristics: Simulated Annealing and Tabu Search. How to obtain the identification of econometric techniques for dealing efficiently with the study of econor models under endogeneity. This book will be of interest for biometricians, statisticians, economists, engineers dealing with control and reliability, as well for informaticians"--

Uncertainty Quantification (UQ) is a relatively new research area which describes the methods and approaches used to supply quantitative descriptions of the effects of uncertainty, variability and errors in simulation problems and models. It is rapidly becoming a field of increasing impor many real-world applications within statistics, mathematics, probability and engineering, but also within the natural sciences. Literature on the topic has up until now been largely based on polynomial chaos, which raises difficulties when considering different types of approximation and d a unified presentation of the methods. Moreover, this description does not consider either deterministic problems or infinite dimensional ones. This book gives a unified, practical and comprehensive presentation of the main techniques used for the characterization of the effect of uncerta models and on their exploitation in numerical problems. In particular, applications to linear and nonlinear systems of equations, differential equations, optimization and reliability are presented. Applications of stochastic methods to deal with deterministic numerical problems are also discu illustrates the implementation of these methods and makes the book suitable as a textbook and for self-study. Discusses the main ideas of Stochastic Modeling and Uncertainty Quantification using Functional Analysis Details listings of Matlab® programs implementing the main methods the methodological presentation by a practical implementation Construct your own implementations from provided worked examples

Reliability theory and applications become major concerns of engineers and managers engaged in making high quality products and designing highly reliable systems. This book aims to survey new research topics in reliability theory and useful applied techniques in reliability engineerin group in Nagoya, Japan has continued to study reliability theory and applications for more than twenty years, and has presented and published many good papers at international conferences and in journals. This book focuses mainly on how to apply the results of reliability theory to pra Theoretical results of coherent, inspection, and damage systems are summarized methodically, using the techniques of stochastic processes. There exist optimization problems in computer and management sciences and engineering. It is shown that such problems as computer, inform systems are solved by using the techniques of reliability. Furthermore, some useful techniques applied to the analysis of stochastic models in management science and plants are shown. The reader will learn new topics and techniques, and how to apply reliability models to actual ones. as an essential guide to a subject of study for graduate students and researchers and as a useful guide for reliability engineers engaged not only in maintenance work but also in management and computer works. Sample Chapter(s). Chapter 1: Multistate Coherent Systems (310 KB). C Models: Multistate Coherent Systems (F Ohi); Cumulative Damage Models (T Satow); Extended Inspection Models (S Mizutani); Computer Systems: Stochastic Analyses for Hybrid State Saving and Its Experimental Validation (M Ohara et al.); Reliability Analysis of a System Connected (M Imaizumi); Reliability Analysis of Communication Systems (M Kimura); Backup Policies for a Database System (C-H Qian); Optimal Checkpoint Intervals for Computer Systems (K Naruse & S Maeji); Reliability Applications: Maintenance Models of Miscellaneous Systems (K Ito); Mar Policies for Stochastic Models with Monetary Facilities (S Nakamura). Readership: Advanced undergraduates and graduate students, researchers and practitioners in the areas of optimization, mathematical modeling, probability & statistics and stochastic analysis.

The Lasso and Generalizations

Optimization Methods in Finance

Stochastic Modeling and Optimization

Applied Probability— Computer Science: The Interface

This accessible book aims to collect in a single volume the essentials of stochastic networks. Stochastic networks have become widely used as a basic model of many physical systems in a diverse range of fields. Written by leading authors in the field, this book is meant to be used as a reference or supplementary reading by practitioners in operations research, computer systems, communications networks, production planning, and logistics.

An introduction to the use of probability models for analyzing risk and economic decisions, using spreadsheets to represent and simulate uncertainty. This textbook offers an introduction to the use of probability models for analyzing risks and economic decisions. It takes a learn-by-doing approach, teaching the student to use spreadsheets to represent and simulate uncertainty and to analyze the effect of such uncertainty on an economic decision. Students in applied business and economics can more easily grasp difficult analytical methods with Excel spreadsheets. The book covers the basic ideas of probability, how to simulate random variables, and how to compute conditional probabilities via Monte Carlo simulation. The first four chapters use a large collection of probability distributions to simulate a range of problems involving worker efficiency, market entry, oil exploration, repeated investment, and subjective belief elicitation. The book then covers correlation and multivariate normal random variables; conditional expectation; optimization of decision variables, with discussions of the strategic value of information, decision trees, game theory, and adverse selection; risk sharing and finance; dynamic models of growth; dynamic models of arrivals; and model risk. New material in this second edition includes two new chapters on additional dynamic models and model risk; new sections in every chapter; many new end-of-chapter exercises; and coverage of such topics as simulation model workflow, models of probabilistic electoral forecasting, and real options. The book comes equipped with Simtools, an open-source, free software used througout the book, which allows students to conduct Monte Carlo simulations seamlessly in Excel.

In Part I, the fundamentals of financial thinking and elementary mathematical methods of finance are presented. The method of presentation is simple enough to bridge the elements of financial arithmetic and complex models of financial math developed in the later parts. It covers characteristics of cash flows, yield curves, and valuation of securities. Part II is devoted to the allocation of funds and risk management: classics (Markowitz theory of portfolio), capital asset pricing model, arbitrage pricing theory, asset & liability management, value at risk. The method explanation takes into account the computational aspects. Part III explains modeling aspects of multistage stochastic programming on a relatively accessible level. It includes a survey of existing software, links to parametric, multiobjective and dynamic programming, and to probability and statistics. It focuses on scenario-based problems with the problems of scenario generation and output analysis discussed in detail and illustrated within a case study.

Optimization Theory is an active area of research with numerous applications; many of the books are designed for engineering classes, and thus have an emphasis on problems from such fields. Covering much of the same material, there is less emphasis on coding and detailed applications as the intended audience is more mathematical. There are still several important problems discussed (especially scheduling problems), but there is more emphasis on theory and less on the nuts and bolts of coding. A constant theme of the text is the "why" and the "how" in the subject. Why are we able to do a calculation efficiently? How should we look at a problem? Extensive effort is made to motivate the mathematics and isolate how one can apply ideas/perspectives to a variety of problems. As many of the key algorithms in the subject require too much time or detail to analyze in a first course (such as the run-time of the Simplex Algorithm), there are numerous comparisons to simpler algorithms which students have either seen or can quickly learn (such as the Euclidean algorithm) to motivate the type of results on run-time savings.

Foundations and Fundamental Algorithms

Performance, Asymptotics, and Optimization

Probability Models for Economic Decisions, second edition

Mathematics of Optimization: How to do Things Faster

Applied Probability Models with Optimization

This book examines optimization problems that in practice involve random model parameters. It details the computation of robust optimal solutions, i.e., optimal solutions that are insensitive with respect to random parameter variations, where appropriate deterministic substitute problems are needed. Based on the probability distribution of the random data and using decision theoretical concepts, optimization problems under stochastic uncertainty are converted into appropriate deterministic substitute problems. Due to the probabilities and expectations involved, the book also shows how to apply approximative solution techniques. Several deterministic and stochastic approximation methods are provided: Taylor expansion methods, regression and response surface methods (RSM), probability inequalities, multiple linearization of survival/failure domains, discretization methods, convex approximation/deterministic descent directions/efficient points, stochastic approximation and gradient procedures and differentiation formulas for probabilities and expectations. In the third edition, this book further develops stochastic optimization methods. In particular, it now shows how to apply stochastic optimization methods to the approximate solution of important concrete problems arising in engineering, economics and operations research.

Bringing together business and engineering to reliability analysisWith manufactured products exploding in numbers and complexity,reliability studies play an increasingly critical role throughout aproduct's entire life cycle-from design to post-sale support.Reliability: Modeling, Prediction, and Optimization presents aremarkably broad framework for the analysis of the technical andcommercial aspects of product reliability, integrating concepts andmethodologies from such diverse areas as engineering, materialsscience, statistics, probability, operations research, andmanagement. Written in plain language by two highly respectedexperts in the field, this practical work provides engineers,operations managers, and applied statisticians with bothqualitative and quantitative tools for solving a variety ofcomplex, real-world reliability problems. A wealth of examples andcase studies accompanies: * Comprehensive coverage of assessment, prediction, and improvementat each stage of a product's life cycle * Clear explanations of modeling and analysis for hardware rangingfrom a single part to whole systems * Thorough coverage of test design and statistical analysis ofreliability data * A special chapter on software reliability * Coverage of effective management of reliability, product support,testing, pricing, and related topics * Lists of sources for technical information, data, and computerprograms * Hundreds of graphs, charts, and tables, as well as over 500references * PowerPoint slides are available from the Wiley editorialdepartment.

Discover New Methods for Dealing with High-Dimensional Data A sparse statistical model has only a small number of nonzero parameters or weights; therefore, it is much easier to estimate and interpret than a dense model. Statistical Learning with Sparsity: The Lasso and Generalizations presents methods that exploit sparsity to help recover the underlying signal in a set of data. Top experts in this rapidly evolving field, the authors describe the lasso for linear regression and a simple coordinate descent algorithm for its computation. They discuss the application of l1 penalties to generalized linear models and support vector machines, cover generalized penalties such as the elastic net and group lasso, and review numerical methods for optimization. They also present statistical inference methods for fitted (lasso) models, including the bootstrap, Bayesian methods, and recently developed approaches. In addition, the book examines matrix decomposition, sparse multivariate analysis, graphical models, and compressed sensing. It concludes with a survey of theoretical results for the lasso. In this age of big data, the number of features measured on a person or object can be large and might be larger than the number of observations. This book shows how the sparsity assumption allows us to tackle these problems and extract useful and reproducible patterns from big datasets. Data analysts, computer scientists, and theorists will appreciate this thorough and up-to-date treatment of sparse statistical modeling.

ENCYCLOPEDIA OF STATISTICAL SCIENCES

Introduction to Stochastic Programming

Athens Conference on Applied Probability and Time Series Analysis

Surrogates

Stochastic Modeling in Economics and Finance

Lectures on Stochastic Programming

Introduction to Probability Models, Student Solutions Manual (e-only)

The fundamental mathematical tools needed to understand machine learning include linear algebra, analytic geometry, matrix decompositions, vector calculus, optimization, probability and statistics. These topics are traditionally taught in disparate courses, making it hard for data science or computer science students, or professionals, to efficiently learn the mathematics. This self-contained textbook bridges the gap between mathematical and machine learning texts, introducing the mathematical concepts with a minimum of prerequisites. It uses these concepts to derive four central machine learning methods: linear regression, principal component analysis, Gaussian mixture models and support vector machines. For students and others with a mathematical background, these derivations provide a starting point to machine learning texts. For those learning the mathematics for the first time, the methods help build intuition and practical experience with applying mathematical concepts. Every chapter includes worked examples and exercises to test understanding. Programming tutorials are offered on the book's web site.

Computer simulation experiments are essential to modern scientific discovery, whether that be in physics, chemistry, biology, epidemiology, ecology, engineering, etc. Surrogates are meta-models of computer simulations, used to solve mathematical models that are too intricate to be worked by hand. Gaussian process (GP) regression is a supremely flexible tool for the analysis of computer simulation experiments. This book presents an applied introduction to GP regression for modelling and optimization of computer simulation experiments. Features: • Emphasis on methods, applications, and reproducibility. • R code is integrated throughout for application of the methods. • Includes more than 200 full colour figures. • Includes many exercises to supplement understanding, with separate solutions available from the author. • Supported by a website with full code available to reproduce all methods and examples. The book is primarily designed as a textbook for postgraduate students studying GP regression from mathematics, statistics, computer science, and engineering. Given the breadth of examples, it could also be used by researchers from these fields, as well as from economics, life science, social science, etc.

The book gives a comprehensive treatment of the classical and modern ruin probability theory. Some of the topics are Lundberg's inequality, the Cram,r?Lundberg approximation, exact solutions, other approximations (e.g., for heavy-tailed claim size distributions), finite horizon ruin probabilities, extensions of the classical compound Poisson model to allow for reserve-dependent premiums, Markov-modulation, periodicity, change of measure techniques, phase-type distributions as a computational vehicle and the connection to other applied probability areas, like queueing theory. In this substantially updated and extended second version, new topics include stochastic control, fluctuation theory for Levy processes, Gerber?Shiu functions and dependence.

Understanding Probability Models

Applied Probability Models with Optimization Applications

Fundamentals of Queueing Networks

Simulation

Elements of Applied Probability for Engineering, Mathematics and Systems Science