

CONTENTS

PREFACE	v
0 INTRODUCTION TO STOCHASTIC PROCESSES	1
0.1 Stochastic processes and their characterization	4
0.2 A pivotal characteristic of some stochastic processes	13
0.3 A few examples of stochastic processes	21
1 POISSON PROCESSES	39
1.1 Properties of the exponential distribution	42
1.2 Poisson process: three definitions	56
1.3 Event times in Poisson processes	68
1.4 Merging and splitting Poisson processes	81
1.5 Non-homogeneous Poisson process	95
1.6 Conditional Poisson process	112
1.7 Compound Poisson process	120
2 RENEWAL PROCESSES	129
2.1 Introduction	132
2.2 Properties of the number of renewals	134
2.3 Renewal function	140
2.4 Renewal-type equations	150
2.5 Key renewal theorem and some other limit theorems	161
2.6 Recurrence times; the inspection paradox	182
2.7 Renewal reward processes	201
2.8 Alternating renewal processes	214
2.9 Delayed renewal processes	221
2.10 Regenerative processes	231

3	DISCRETE-TIME MARKOV CHAINS	239
3.1	Definitions and examples	242
3.2	Chapman-Kolmogorov equations; marginal and joint distributions	247
3.3	Classification of states; recurrent and transient states	258
3.4	Asymptotic behaviour of irreducible Markov chains	280
3.5	Asymptotic behaviour of reducible Markov chains	292
3.6	Markov chains with costs/rewards	295
3.7	Reversible Markov chains	304
3.8	Branching processes	314
3.9	First passage times; absorption probabilities	334
4	CONTINUOUS-TIME MARKOV CHAINS	347
4.1	Definitions and examples	351
4.2	Properties of the transition matrix; Chapman-Kolmogorov equations	354
4.3	Computing the transition matrix: finite state space	367
4.4	Birth and death processes	369
4.5	Classification of states	387
4.6	Asymptotic behaviour	393
4.7	Birth and death queueing systems in equilibrium	405
4.7.1	Description of a queueing system	405
4.7.2	Performance measures	409
4.7.3	M/M/1, the single server queueing system	416
4.7.4	M/M/ ∞ , the queueing system with responsive servers	430
4.7.5	M/M/m, the m-server queueing system	439
4.7.6	M/M/m/m, the m-server loss queueing system	452
	BIBLIOGRAPHY	463
	HYPERLINKS	473
	ACRONYMS	477
	INDEX	479
	FORMULAE	485