IEOR 3106: Introduction to Operations Research: Stochastic Models Fall 2013, Professor Whitt

Homework Assignment 11: Tuesday, November 26. THE LAST ONE!

Due on Thursday, December 5 (NOT on Tuesday, December 3).

(Thursday, December 5, is the last class. There will be NO recitation on Sunday, December 1, but there will be a recitation at the usual time on Sunday, December 8. This homework will be discussed then, on December 8, after it is turned in.)

Chapter 10: Brownian Motion

In Ross, read Sections 10.1-10.3 and 10.6. (The total required reading is approximately 11 pages.)

Do the following exercises at the end of Chapter 10.

1. (answer in back)

2. Hint: Apply the result in the middle of page 628.

3. (answer in back)

5. (answer in back)

6.

7. (answer in back)

16. Hint: A *martingale* is defined just before Exercise 10.16. I will hand out notes that discuss martingales in more detail.

17.

20. (answer in back) Hint: relevant information is stated just before Exercise 10.20.

21.