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AN EOQ MODEL FOR STOCK DEPENDENT DEMAND UNDER BUYER PARTIAL TRADE CREDIT SCENARIO IN SUPPLY CHAIN

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Abstract

In this paper, the retailer's inventory policy is derived under two levels of trade credit in the environment of supply chain. The demand is considered to be stock - dependent. It is assumed that the buyer is prominent decision maker. The buyer receives the full trade credit offered by supplier and offers partial trade credit to his customers. The objective is to minimize the total cost to evaluate the buyer's optimal cycle time in the supply chain. The easy - to use algorithm is explored to determine the optimal policy for the result. Finally, the numerical examples are given and sensitivity is carried out to deduce managerial issues.

Key Words : EOQ, Stock-dependent demand, Partial trade credit, Supply chain.