
SIMULATION A STATISTICAL PERSPECTIVE

JACK KLEIJNEN
AND
WILLEM VAN GROENENDAAL



WILEY

Publishers Since 1807

Contents

Preface	ix
CHAPTER 1 Introduction	1
1.1 Some examples	1
1.2 Some definitions	11
Appendix	12
References	13
CHAPTER 2 Random Numbers	15
2.1 Introduction	15
2.2 Techniques for generating random numbers	17
2.2.1 The ten-sided die	17
2.2.2 Throwing a coin	17
2.2.3 Other physical devices	17
2.2.4 Tables	18
2.2.5 Pseudorandom numbers	18
2.3 Pseudorandom numbers	18
2.3.1 Midsquare method	18
2.3.2 Congruential method	19
2.3.3 Additive congruential method	21
2.3.4 Tausworthe generators	21
2.3.5 Shuffling generators	22
2.4 Tests for pseudorandom numbers	22
2.4.1 Frequency test	22
2.4.2 Test on pairs of pseudorandom numbers	24
2.4.3 Correlation test	25
2.4.4 Run tests	26
2.4.5 Gap test	27
2.4.6 Poker test	27
2.5 Practical computer subroutines	28
References	30
CHAPTER 3 Sampling from Non-uniform Distributions	33
3.1 Table look-up for discrete distributions	34
3.1.1 Geometric distribution	36
3.1.2 Simulating the statistical process	37
3.2 Hypergeometric distribution	38
3.2.1 Inverse transformation	38

3.3.1	Exponential distribution	39
3.3.2	Uniform distribution	39
3.4	Distributions related to the exponential distribution	40
3.4.1	Gamma, Erlang, chi-square, and beta distributions	40
3.4.2	Poisson distribution	41
3.5	Normal distribution	43
3.5.1	Central limit theorem	43
3.5.2	Box–Muller method	44
3.6	Rejection method	46
3.6.1	Normal distribution	47
3.7	Distributions related to the normal distribution	47
3.7.1	Lognormal distribution	47
3.7.2	Chi-square distribution	47
3.7.3	Student's <i>t</i> distribution	48
3.7.4	<i>F</i> distribution	49
3.8	Multivariate distributions	49
3.8.1	Multivariate normal distribution	50
3.9	Time series	52
3.9.1	Linear autocorrelation function	52
3.9.2	Exponential autocorrelation function	53
3.10	Epilogue	54
	Appendix: NAG routines	54
	References	55
CHAPTER 4 Economic and Corporate Models		57
4.1	Macro-economic models	58
4.1.1	Klein's model	58
4.1.2	Simultaneous equations	59
4.1.3	Noise	60
4.2	Meso-economic models	64
4.2.1	Cobweb models	66
4.3	Micro-economic models	68
4.4	Micro-simulation	69
4.4.1	Typology of micro-simulation	72
4.5	Corporate models	73
4.5.1	Example: Anheuser–Busch model	74
4.6	Risk analysis	75
4.7	System dynamics	78
	References	91
CHAPTER 5 Operations Research Models		93
5.1	Fixed versus variable time increments	94
5.2	Inventory models	95
5.3	Queuing models	100
5.3.1	Single server	101
5.3.2	Parallel servers	106
5.3.3	Repairmen model	107

5.3.4	Servers in sequence	110
5.3.5	Practical queuing simulations	113
5.4	Miscellaneous models, including combined continuous/discrete-event models	114
5.4.1	Case study: The Europe Container Terminus (ECT) in Rotterdam harbour	115
	Appendix: Analytic solution of M/M/n models	116
	References	117
CHAPTER 6 Simulation Software		119
6.1	Simulation package for parallel servers	119
6.1.1	System components and organization	119
6.1.2	System states	121
6.1.3	Synchronization of server and transaction states	123
6.1.4	Resulting simulation package	124
6.1.5	Data structures	126
6.2	Simulation software: a survey	127
6.2.1	Discrete-event simulation	127
6.2.2	System dynamics models	130
6.2.3	Economic and corporate models	131
6.2.4	Conclusions	132
	References	132
CHAPTER 7 Statistical Applications		135
7.1	Regression models	136
7.2	Ordinary least squares (OLS)	139
7.3	Estimated weighted least squares (EWLS)	140
7.4	Corrected least squares (CLS)	141
7.5	Case study: simulation of EWLS and CLS	141
7.5.1	Verification of the computer program	143
7.5.2	Asymptotic covariances in EWLS	145
7.5.3	Relative efficiency of EWLS and CLS	145
7.5.4	Confidence intervals in EWLS and CLS	145
	References	146
CHAPTER 8 Regression Metamodels		147
8.1	The metamodel concept	149
8.2	Simulation data for regression analysis	151
8.3	Least squares estimation	153
8.4	Validation of metamodels	154
8.4.1	Cross-validation	156
8.4.2	Rao's lack-of-fit test	158
8.5	Use of metamodels	158
8.5.1	Detailed example of metamodeling: M/M/s	159
8.6	Higher-order metamodels: interactions and quadratic effects	160
8.6.1	Case study: FMS example	162

8.7	Epilogue	164
11.3.2	References	164
CHAPTER 9 Design of Experiments		167
9.1	Classical experimental designs	169
9.1.1	One factor at a time designs	171
9.1.2	Full factorial designs	172
9.1.3	Incomplete factorial designs	175
9.1.4	Comments: replications and scaling effects	177
9.2	Screening	179
9.3	Optimization: response surface methodology	181
9.3.1	Case study: production planning	183
	References	185
CHAPTER 10 Tactical Aspects		187
10.1	Terminating models	188
10.2	Non-terminating, steady-state models	190
10.2.1	Nearly independent subruns: batching	192
10.2.2	Renewal analysis	193
10.3	Proportions and quantiles	195
10.4	Variance reduction techniques	197
10.4.1	Common random numbers	197
10.4.2	Antithetic variables	198
10.4.3	Control variates or regression sampling	200
10.5	Jackknifing	201
	References	203
CHAPTER 11 Verification and Validation		205
11.1	Verification	205
11.2	Validation	207
11.3	Case study: mine hunting by sonar	212
11.3.1	Conceptual model of mine hunting	213
11.3.2	Validation of mine-hunting model	215
11.3.3	Future research in mine hunting	219
	References	219
CHAPTER 12 Epilogue		221
	References	221
Solutions to Exercises		223
Author index		231
Subject index		235