

Inventory Management under Partial Trade Credit Policy

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Abstract

In a competitive market the role of marketing parameters in several business management problems is well experienced and it becomes more significant when one discusses the inventory management problems with regard to procurement policy of the items. It is also a well-known fact that marketing parameters are directly or indirectly related with the marketing policies and hence the inventory policies. The marketing policies in the form of promotional efforts play an important role in the inventory management of the products. The partial trade credit policy is one of the promotional efforts which has a significant impact on the demand behavior of the products. This paper discusses the optimal inventory policies of the items where its demand is dynamic varies with time and the effect of partial trade credit policy is also incorporated. Here, the partial trade credit policy is considered in terms of only supplier offers credit period to the retailer.

Keywords: Trade Credit, Procurement Policy, Time dependent demand and EOQ.

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