

Ans=12

Static And Dynamic Models

Q. a. Static Model:-

They are one-time decision models. In these models cause and effect occur almost simultaneously and time lag between the two is zero. They are easier to formulate, manipulate and solve. Economic order quantity model is a static model. These models do not consider the impact of changes that take place during planning horizon i.e. they are independent of time.

Q. b. Dynamic Model:-

They are the models for situation in which time often plays an important role. They are used for optimization of multi-stage decision problems which require a series of decisions with outcome of each depending upon the results of the previous decision in the series. Dynamic programming is a dynamic model. These models consider time as one of the important variables and admit the impact of changes by time.