Cost Analysis of Acceptance Sampling Models Using Dynamic Programming and Bayesian Inference Considering Inspection Errors

Mohammad Saber Fallah Nezhad^{a,*}, Abolghasem Yousefi Babadi^b

^a Associate Professor, Industrial Engineering Department, University of Yazd, PO Box 89195-741, Yazd ,Iran
 ^b PhD student of Industrial Engineering, Tehran University, Tehran, Iran
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Abstract

Acceptance Sampling models have been widely applied in companies for the inspection and testing of the raw materials as well as the final products. A number of lots of the items are produced in a day in the industries so it may be impossible to inspect/test each item in a lot. The acceptance sampling models only provide the guarantee for the producer and consumer confirming that the items in the lots are according to the required specifications so that they can make appropriate decision based on the results obtained by testing the samples. Acceptance sampling plans are practical tools for quality control applications which consider quality contracting on product orders between the vendor and the buyer. Acceptance decision is based on sample information. In this research, dynamic programming and Bayesian inference is applied to decide among decisions of accepting, rejecting, tumbling the lot or continuing to the next decision making stage and more sampling. We employed cost objective functions to determine the optimal policy. First, we used the Bayesian modelling concept to determine the optimal decision. Two dynamic programming models have been developed. The first one is for the perfect inspection system and the second one is for imperfect inspection. At the end, a case study is analysed to demonstrate the application the proposed methodology and sensitivity analyses are performed.

Keywords: Acceptance Sampling, Bayesian Inference, Dynamic Programming, Inspection Errors, Quality Cost.

1. Introduction

Acceptance Sampling models have been widely applied in companies for the inspection and testing of the raw materials as well as the final products. A number of lots of the items are produced in a day in the industries, so it may be impossible to inspect/test each item in a lot. The acceptance sampling models only provide the guarantee for the producer and the consumer confirming that the items in the lots are according to the required specifications so that they can make appropriate decisions based on the results obtained by testing the samples.

In this paper, an optimization model is developed for acceptance sampling plan. The proposed approach is based on dynamic programming and Bayesian inference. In deterministic dynamic programming, given a state and a decision, both the immediate payoff and next state are known. If we know either of these only as a probability function, then it is modelled as stochastic dynamic programming. The method of obtaining stages, states, decisions, and recursive formula does not differ. A stochastic dynamic programming has the same approach of a deterministic one, but only the state transition equation differs. The acceptance sampling problem may be modelled as a dynamic programming problem when different sampling stages are available. States of the lot may be defined by the results of the inspection. The lot state is defined as the expected value of nonconforming proportion. The probability distribution function of nonconforming proportion is obtained using the Bayesian inference. Therefore, the lot state is assumed to be known at each stage and the probability density function of nonconforming proportion is determined at the beginning of each stage after sampling the new data.

The state of the lot at the beginning of the next stage depends only on our current decision (tumbling or more sampling). The lot can be tumbled a constant cost. Tumbling will bring the lot to some better state in the next stage and it decreases lot state (nonconforming proportion) with a constant factor. There is also a statedependent cost of decisions about accepting and rejecting

^{*} Corresponding author Email address: Fallahnezhad@yazd.ac.ir

otherwise.

2. The Model

A dynamic programming algorithm will examine all possible methods to solve the problem and will select the optimal solution; therefore, dynamic programming enables us to go through all possible solutions to select the best one. Stochastic dynamic programming is a technique to model a sequential decision making process in a stochastic environment (Ross, 1983). In acceptance sampling plans, we are selecting between decisions of continuing (tumbling the lot or continuing to the next decision making stage and more sampling) or stopping (accepting or rejecting the lot) thus it is a type of optimal stopping problem that can be generalized in order to consider all decisions.

Dynamic programming technique can be employed to design an optimal sequential acceptance sampling plan when the following conditions exist:

i) The cost of accepting a nonconforming item and cost of rejecting a conforming item can be reasonably assessed.

ii) The proportion of nonconforming items is stable and constant or its probability distribution is known.

The most powerful method of acceptance sampling plans is sequential acceptance sampling model. A recessive approach was used to design these models. On the other hands dynamic programing models are solved based on the recessive approach, therefore we use from the dynamic programming to develop a sequential sampling models.

In this paper we impose mandatory fixed sample sizes in each sampling stage. We let the dynamic programming mechanism dictate the optimal policy based on the current state of the system.

However, before doing so, first we need to have some notations and definitions.

2.1. Notations and Definitions

We will use the following notations and definitions in the rest of the section:

p: The proportion of nonconforming items.

Referring to Jeffrey's prior (Nair et. al. (2001)), for the nonconforming proportion p, we take a *Beta* prior distribution with parameters 0.5 and 0.5. By use of the Bayesian inference, we can easily show that the posterior probability density function of p is

$$f(p) = \frac{\Gamma(\alpha + \beta + 1)}{\Gamma(\alpha + 0.5)\Gamma(\beta + 0.5)} p^{\alpha - 0.5} (1 - p)^{\beta - 0.5}$$
(1)

Where, α is the number of nonconforming items and β is the number of conforming items in the past stages of the decision- making process.

N : The total number of items a lot.

 C_a : The cost of accepting one nonconforming item when the lot is accepted.

 C_s : The cost of one nonconforming item which is detected during inspection.

T: The cost of tumbling process.

I: The cost of inspecting one item during decision of inspecting all items in lot.

 γ : The coefficient of decreasing detective proportion after improving lot quality (Tumbling).

m: The sample size in each stage of decision making.

 λ : The discount factor in stochastic dynamic programming approach.

 $V_n(p)$: The cost associated with p when there are n remaining stages to make the decision.

Following assumptions are made to design the proposed sampling plan,

- ✓ The inspections are perfect.
- ✓ A tumbling operation can be performed on lot. The tumbling operation can be expected to eliminate $1 - \gamma$ percentage of the nonconforming items.
- The objective function minimizes the summation of quality costs.
- ✓ Bayesian inference is used to update the proportion of nonconforming items.
- Dynamic programming is used to find the optimal policy.
- We can select the optimal policy among decision of accepting, rejecting, tumbling the lot or continuing to the next stage and taking more samples.

2.2. Derivations

We may model an acceptance sampling process as an optimal stopping problem in which in each stage of the decision-making process, we take a sample from a lot and based on the information obtained from the sample we want to decide whether to accept or to reject the lot or continuing to take more samples.

The state variable and stage variable of dynamic programming model is as follows,

- State variable: The expected value of nonconforming proportion. The probability distribution of nonconforming proportion is obtained by sampling.
- Stage variable: The stage of sampling. It is assumed that there are n_{max} decision making stages.

We mentioned that the probability distribution of the nonconforming proportion (p) could be modelled by the

The second equality is defined based on constant sample size in each stage. Therefore the values of parameters α', β' can be determined based on the values of parameters α, β .

Now we can evaluate the value of function $V_n(E(p))$ based on the value of $V_{n-1}(E(p))$ and $V_{n-1}(E(p_1 = \gamma p))$ where $V_{n-1}(E(.))$ can be obtained using equation (2) recursively thus it is concluded that the value of $V_n(E(p))$ can be determined based on the values of $V_0(E(.))$ by continuing this recursive method. Also the value of $V_0(E(.))$ can be determined by equation (7). Steps of dynamic programming have been shown in Fig (1).

tumbling process is $\gamma = 95\%$ and the discount factor in stochastic dynamic programming approach is $\lambda = 0.9$.

According to dynamic programming approach when three decision making stages is available (n = 3), we have :

$$V_{3}(E(p)) = Min \begin{cases} NI + C_{s}NE(p), C_{a}NE(p) ,\\ mI + \lambda V_{3-1}(E(p)), \\ T + \lambda V_{3-1}(E(p_{1} = \gamma p)) \end{cases}$$

 $V_2(E(p))$ can be calculated using recursive equation when two decision making stages is available, on the other hand we have :



Fig. 1. Diagram of Dynamic Programming's steps

In the next section, a case study is given to illustrate the application of the proposed methodology.

3. Case Study

Assume a juice production industry has produced a lot of N = 100 items. The amount of vitamin C in juice is inspected through experimenters. According to the presented approach, first a sample of items is inspected. Also three decision making stages are available for deciding about the lot. The sample size in each stage of decision making is m = 10. Assume that stages are available for decision making process and at the start of process, 10 juices are inspected where the number of nonconforming juices is $\alpha = 2$ and the number of conforming juices is $\beta = 8$ in the first sample and the cost of accepting one nonconforming juice is $C_a = 4$, the cost of one nonconforming juice which is detected during inspection is $C_s = 2$, the cost of inspecting one item is I = 1, the cost of tumbling process is T = 150, the coefficient of decreasing nonconforming proportion in

$$V_{2}(E(p)) = Min \begin{cases} NI + C_{s}NE(p), C_{a}NE(p), \\ mI + \lambda V_{2-1}(E(p)), \\ T + \lambda V_{2-1}(E(p_{1} = \gamma p)) \end{cases}$$

Now we can recursively determine $V_1(E(p))$ as follow:

$$V_{1}(E(p)) = Min \begin{cases} NI + C_{s}NE(p), C_{a}NE(p), \\ mI + \lambda V_{1-1}(E(p)), \\ T + \lambda V_{1-1}(E(p_{1} = \gamma p)) \end{cases}$$

Also we need to obtain $V_1(E(p_2 = \gamma p_1 = \gamma^2 p))$ for calculating the item $V_2(E(p_1 = \gamma p))$ and then we need to determine $V_0(E(p_2 = \gamma^1 p_1 = \gamma^2 p))$ and the function $V_0(E(p_3 = \gamma p_2 = \gamma^2 p_1 = \gamma^3 p))$ which are obtained by equation (6).

Table 6 Sensitivity analysis

| cases | $(N, C_a, C_s, T, I, \gamma, m, \lambda, \alpha, \beta)$ | Optimal policy | $V_{3}(E(p))$ |
|------------------------|--|--|---------------|
| 1. Case study | (100, 4, 2, 150, 1, 0.95, 10, 0.9, 2, 8) | Accept | 90.9091 |
| 2. Increases N | (3422, 4, 2, 150, 1, 0.95, 10, 0.9, 2, 8) | Continue to the next decision making stage | 2538.836 |
| 3. Increases N | (3423, 4, 2, 150, 1, 0.95, 10, 0.9, 2, 8) | Tumble the lot | 2539.544 |
| 4. Increases C_a | (100, 5, 2, 150, 1, 0.95, 10, 0.9, 2, 8) | Continue to the next decision making stage | 166.2727 |
| 5. Decreases C_s | (100, 4, 0.53, 150, 1, 0.95, 10, 0.9, 2, 8) | Continue to the next decision making stage | 88.48381 |
| 6. Decreases <i>T</i> | (100, 4, 2, 13, 1, 0.95, 10, 0.9, 2, 8) | Tumble the lot | 90.722773 |
| 7. Decreases I | (100, 4, 2, 150, 0.5, 0.95, 10, 0.9, 2, 8) | Continue to the next decision making stage | 83.13636 |
| 8. Decreases γ | (100, 4, 2, 150, 1, 0.25, 10, 0.9, 2, 8) | Tumbling | 46.54983 |
| 9. Decreases λ | (100, 4, 2, 150, 1, 0.95, 10, 0.5, 2, 8) | Continue to the next decision making stage | 34.02635 |

A sensitivity analysis is performed on the parameters of the problem that results have been summarized as following:

• By comparing cases one, two and three, it is seen that when the total number of items in a lot (N) is less than 3422 units, then the optimal decision in the proposed method is to continue to the next decision making stage, and when the total number of items in a lot (N) is more than 3423 units, then the optimal decision in the proposed method is to tumble the lot.

- By comparing case one and case six, it is seen that when the cost of tumbling process (T) is less than 13, then the optimal decision in the proposed method is to tumble the lot.
- The result of the proposed model in all cases is reasonable. For example, cost of proposed model increases by increasing cost parameters of the model and it decreases by decreasing different costs of the model and the corresponding optimal decision are made in accordance with the variations.
- 4.1. Sensitivity analysis of " C_a with C_s ":

Results for Simultaneous variations of cost of accepting one nonconforming item (C_a) and the cost of one detected nonconforming item (C_s) are denoted in

Table 7

Sensitivity analysis of variations of " C_a and C_s "

| N.O of Cases | optimal policy | | | | |
|----------------------------------|---|--|--|--|--|
| $C_a \downarrow C_s \downarrow$ | Accept the lot | | | | |
| $C_a \uparrow C_s \uparrow$ | Tumbling | | | | |
| $C_a \uparrow C_s \downarrow$ | Continue to the next decision making stage | | | | |
| $C_a \downarrow C_s \uparrow$ | Accept the lot | | | | |

The results of Table 7, confirms the reasonable performance of dynamic programming model in the encountering with the variation of cost parameters.

4.2. Sensitivity analysis of " α : the number of nonconforming items, β : the number of conforming items":

The results of changing α and β are denoted in Table 8. It is seen that when the nonconforming proportion $\left(p = \frac{\alpha}{\alpha + \beta}\right)$ is approximately equal or less than 0.31, then optimal policy is to accept the lot, when the nonconforming proportion is more than 0.31, then optimal policy is to continue to the next decision making stage therefore sampling continues. When the nonconforming proportion is more than 0.67 then the optimal decision is to reject. Thus, it is observed that the optimal policy is a type of control threshold policy.

5. The Presence of Inspection Error

In this section, a dynamic programming model is developed for acceptance sampling problem in the presence of inspection errors. There are two types of inspection errors: 1. The first type of error 2. the second type of error.

We may model an acceptance sampling process as an optimal stopping problem. First, we take a sample from a lot in each stage of the decision-making process and the objective is to decide whether to accept, to reject and inspect all items, to tumble the lot, or to continue sampling based on the information obtained from the sample.

We mentioned that the probability distribution of the nonconforming proportion (p) could be modelled by the Bayesian inference as a Beta distribution with parameters

 $(\alpha + 0.5, \beta + 0.5)$. But (p) denotes the nonconforming proportion obtained by imperfect inspection, thus its value is different from the true nonconforming proportion. Following notations are used in the rest of this paper;

p: The apparent nonconforming proportion (its value is obtained by imperfect inspection).

 p^* : True proportion of nonconforming.

 $p_{\rm T}$: The apparent proportion of nonconforming items in the tumbled lot.

 p_{T}^{*} : True proportion of nonconforming items in the tumbled lot.

 C_r : The cost of rejecting one conforming item.

S: The cost of inspecting one item during sampling.

 I_1 : The probability of first type error in inspecting one item.

 I_2 : The probability of second type error in inspecting one item.

If we define n to be the index of the decisionmaking stage and $E(p^*)$ to be the state variable, then the cost functions of different decisions can be obtained as follows: 1) for accepting the lot

$$a_1 = C_a N$$

2) for rejecting the lot and inspecting all items in the lot

$$a_{2} = NI + NI_{1}C_{r}(1-p^{*}) + NI_{2}C_{a}p^{*} + C_{s}N(1-I_{2})p^{*} \Rightarrow$$

$$a_{2} = NI + NI_{1}C_{r} + (NI_{2}C_{a} - NI_{1}C_{r} + C_{s}N(1-I_{2}))p^{*}$$
3) for tumbling the lot

 $a_3 = T + \mathcal{W}_{n-1}(p_T^*)$

4) for continuing to the next decision

making stage and more sampling

$$a_4 = ms + \mathcal{W}_{n-1}(p^*) \tag{9}$$

It is assumed that when the lot is rejected then all items are inspected and three types of cost are incurred. These costs are as follows,

- 1. $NI_2C_ap^*$: The cost of accepting one nonconforming item multiplied by second type error probability, I_2 (Probability of accepting one nonconforming item).
- 2. $C_s N (1-I_2) p^*$: The cost of one detected nonconforming item during inspection multiplied by probability of detecting a nonconforming item, $1-I_2$ (Probability of rejecting one nonconforming item).
- 3. $NI_1C_r(1-p^*)$: The cost of rejecting one conforming item multiplied by first type error probability, I_1 (Probability of rejecting one conforming item).

 Np^* is the number of nonconforming items in the

lot. True value of nonconforming proportion (p^*) is determined using conditional probability as follows,

$$p = pr \left\{ \begin{pmatrix} item \ is \ categorized \\ as \ nonconforming \end{pmatrix} \middle| \begin{pmatrix} item \ is \\ conforming \end{pmatrix} \right\} pr \left\{ item \ is \\ conforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} = pr \left\{ item \ is \\ nonconforming \end{pmatrix} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} pr \left\{ item \ is \\ nonconforming \end{pmatrix} \right\} pr \left\{ item \ is \\ nonconforming \end{pmatrix} pr \left\{ item \ item \$$

one stage then the nonconforming proportion in the next stage decreases form p^* to γp^* where $0 < \gamma < 1$.

We characterize properties of the value function using a method for approximating the function $E(V_{n-1}(.))$ in order to consider the probability distribution function of p in computations thus following approximation is applied,

$$V_0\left(E\left(p^*\right)\right) \cong E\left(V_0\left(p^*\right)\right) \tag{17}$$

Since function $V_0(p^*)$ is obtained using equation (18) thus $E\left(V_0\left(p^*\right)\right)$ can be obtained using equation (19),

$$V_{0}(p^{*}) = Min \begin{cases} a_{1} = C_{a}Np^{*}, \\ a_{2} = NI + NI_{1}C_{r} + \\ (NI_{2}C_{a} - NI_{1}C_{r} + C_{s}N(1 - I_{2}))p^{*} \end{cases}$$
(18)

hence $V_0(E(p^*))$ can be obtained as follows:

$$V_{0}(E(p^{*})) \cong E(V_{0}(p^{*})) = \begin{bmatrix} \int_{\substack{p^{*} > \frac{I+I_{1}C_{r}}{C_{a}-(I_{2}C_{a}-I_{1}C_{r}+C_{s}(1-I_{2}))}} N(I+I_{1}C_{r}+(I_{2}C_{a}-I_{1}C_{r}+C_{s}(1-I_{2}))p^{*})f(p)dp \\ + \\ \int_{\substack{p^{*} < \frac{I+I_{1}C_{r}}{C_{a}-(I_{2}C_{a}-I_{1}C_{r}+C_{s}(1-I_{2}))}} C_{a}Np^{*})f(p)dp \end{bmatrix}$$
(19)

Since,

$$p^* = \frac{p - I_1}{1 - I_1 - I_2},\tag{20}$$

thus $V_0(E(p))$ is obtained as follows:

$$V_{0}(E(p^{*})) = \begin{cases} \int \left(I + I_{1}C_{r} + (I_{2}C_{a} - I_{1}C_{r} + C_{s}(1 - I_{2}))\frac{p - I_{1}}{1 - I_{1} - I_{2}}\right) f(p) dp \\ + \int \left(\int (I + I_{1}C_{r} + (I_{2}C_{a} - I_{1}C_{r} + C_{s}(1 - I_{2}))\frac{p - I_{1}}{1 - I_{1} - I_{2}}\right) f(p) dp \\ + \int (I + I_{1}C_{r} + (I_{2}C_{a} - I_{1}C_{r} + C_{s}(1 - I_{2}))(I - I_{1} - I_{2}) + I_{2}} \int (C_{a}N \frac{p - I_{1}}{1 - I_{1} - I_{2}}) f(p) dp \end{cases}$$

$$(21)$$

When (n=0) stages are available then we must select between decisions of accepting or rejecting the lot, thus following strategy is obtained for single stage model:

$$n = 0 \Rightarrow \begin{cases} N \left(I + I_1 C_r + (I_2 C_a - I_1 C_r + C_s (1 - I_2)) E(p^*) \right) > C_a N E(p^*) \Rightarrow \text{Accept} \Rightarrow V_0 = a_1 \\ N \left(I + I_1 C_r + (I_2 C_a - I_1 C_r + C_s (1 - I_2)) E(p^*) \right) < C_a N E(p^*) \Rightarrow \text{Reject} \Rightarrow V_0 = a_2 \end{cases}$$
(22)

It is necessary to determine $V_{n-1}(E(.))$ recursively to solve dynamic model in equation (14). To evaluate equation (21), the probability distribution function of random variable $p_{\rm T}$ is needed. This function is determined using a heuristic approach. Since $p_{\rm T}$ is the apparent nonconforming proportion of the lot in the imperfect inspection process thus we assume that $p_{\rm T}$

follows a Beta distribution with parameters α ", β ". The approximate values of parameters α'', β'' can be determined using the equation (27). To explain this heuristic method, first we have,

$$E(p_{T}) =$$
 Mean of Beta distribution
 α " . (23)

with parameters
$$\alpha$$
 ", β " = $\frac{\alpha$ " (23)

| Table 9 | | | | | | |
|---|---------|--|--|--|--|--|
| The results of $E(.)$ | | | | | | |
| E(p) | 0.22727 | | | | | |
| $E\left(p^{*} ight)$ | 0.20855 | | | | | |
| $E\left(p_{\mathrm{T}}^{*}\right) = \gamma E\left(p^{*}\right)$ | 0.19812 | | | | | |
| $E\left(p_{\mathrm{T2}}^{*}\right) = E\left(\gamma p_{\mathrm{T}}^{*}\right) = \gamma^{2}E\left(p^{*}\right)$ | 0.18822 | | | | | |
| $E\left(p_{T3}^{*}\right) = E\left(\gamma p_{T2}^{*}\right) = E\left(\gamma^{2} p_{T}^{*}\right) \Longrightarrow$ | 0.17881 | | | | | |
| $E\left(p_{\mathrm{T3}}^{*}\right)=\gamma^{3}E\left(p^{*}\right)$ | | | | | | |

| Table | 10 |
|--------|----|
| 1 aoic | 10 |

Results of $V\left(E\left(p^{\dagger}\right)\right)$

| n=0 | $V_{0}\left(E\left(p^{*}\right)\right)$ | 103.522 |
|-----|--|---------|
| n=1 | $C_{a}NE\left(p^{*}\right)$ | 125.133 |
| | $NI + NI_1C_r + (NI_2C_a - NI_1C_r + C_sN(1-I_2))E(p^*)$ | 119.839 |
| | $T + \lambda V_{0}\left(E\left(p_{T}^{*}\right)\right)$ | 190.140 |
| | $ms + \lambda V_0(E(p^*))$ | 103.169 |
| | $V_{1}\left(E\left(p^{*}\right)\right)$ | 103.169 |
| n=2 | $C_a NE(p^*)$ | 125.133 |
| | $NI + NI_1C_r + (NI_2C_a - NI_1C_r + C_sN(1-I_2))E(p^*)$ | 119.839 |
| | $T + \lambda V_{T} \left(E(p_{T}) \right)$ | 190.126 |
| | $ms + \lambda V_{\perp} \left(E(p^{\cdot}) \right)$ | 102.852 |
| | $V_{2}\left(E\left(p^{\cdot}\right)\right)$ | 102.852 |
| n=3 | $C_NE(p^{\dagger})$ | 125.133 |
| | $NI + NI_1C_r + (NI_2C_a - NI_1C_r + C_sN(1-I_2))E(p^*)$ | 119.839 |
| | $T + \lambda V_{2}\left(E\left(p_{\tau}^{*}\right)\right)$ | 190.114 |
| | $ms + \mathcal{W}_{2}\left(E\left(p^{\dagger}\right)\right)$ | 106.738 |
| | $V_{s}\left(E\left(p^{*}\right)\right)$ | 106.738 |
| | $T + \lambda V_{0} \left(E\left(\dot{P}_{T_{2}} \right) \right)$ | 187.26 |

$$V_{1}(E(p^{*})) = Min \begin{cases} a_{1} = C_{a}NE(p^{*}) \\ a_{2} = NI + NI_{1}C_{r} + (NI_{2}C_{a} - NI_{1}C_{r} + C_{s}N(1 - I_{2}))E(p^{*}) \\ a_{3} = T + \lambda V_{0}(E(p^{*}_{T})) \\ a_{4} = ms + \lambda V_{0}(E(p^{*})) \end{cases}$$

The calculations are reported in Tables (9-10).

Considering Tables (9-10), the optimal policy is to continue to the next decision making stage and more sampling when three stages are available. In the next section, sensitivity analysis is performed on different parameters.

7. Sensitivity analysis of extended Model

Results of sensitivity of analysis are shown in Table (11). A sensitivity analysis is performed on the parameters of the problem that results have been explained in following:

• All results coincide with the type of variations. For example, increasing the cost of one decision leads to not selecting this decision as optimal.

• It is seen that when the total number of items in a lot (N) decreases, then the optimal policy in the proposed method is to reject the lot, and when the total number of items in a lot (N) becomes more than 3800 units, then the optimal decision in the proposed method is to tumble the lot.

• It is seen that when the probability of first type error in inspecting one item (I_1) increases, then the optimal decision in the proposed method is to accept the lot. This action is logical because when the probability of first type error in inspecting one item increases, then it's better to accept the lot because first type error is the probability of incorrect rejection of an acceptable item.

7.1. Sensitivity analysis of changing cost parameters

Simultaneous variations of the cost of accepting one nonconforming items (C_a) , the cost of one detected nonconforming items (C_s) and the cost of rejecting one conforming items (C_r) are investigated and the results are denoted in Table 12. The results show the valid and logical performance of the proposed method.

Table 13 Sensitivity analysis of " α and β "

α

| m=9 | β | 8 | | | | | | | | |
|------|-------------------|--------|----------------|----------|-------------------|----------|-------------------|----------|----------------|----------|
| | р | 0.11 | | | | | | | | |
| | optimal policy | Accept | | | | | | | _ | |
| | α | 1 | а | 2 | α | 3 | α | 4 | | |
| | β | 9 | b | 8 | β | 7 | β | 6 | | |
| m=10 | р | 0.10 | р | 0.20 | р | 0.3 | р | 0.40 | | |
| | optimal policy | Accept | optimal policy | Continue | optimal policy | Continue | optimal policy | Continue | | |
| | α | 1 | α | 2 | а | 3 | α | 4 | | |
| | β | 10 | β | 9 | b | 8 | β | 7 | | |
| m=11 | р | 0.09 | p | 0.18 | р | 0.27 | p | 0.36 | | |
| | optimal policy | Accept | optimal policy | Accept | optimal policy | Continue | optimal policy | Continue | | |
| | α | 1 | α | 2 | α | 3 | α | 4 | | |
| 10 | β | 11 | β | 10 | β | 9 | β | 8 | | |
| m=12 | p | 0.08 | р | 0.17 | р | 0.25 | р | 0.33 | | |
| | optimal policy | Accept | optimal policy | Accept | optimal policy | Continue | optimal policy | Continue | | |
| | α | 2 | α | 3 | α | 4 | α | 5 | | |
| | β | 11 | β | 10 | β | 9 | β | 8 | | |
| m=13 | p | 0.15 | р | 0.23 | р | 0.31 | р | 0.38 | | |
| | optimal policy | Accept | optimal policy | Continue | optimal policy | Continue | optimal policy | Continue | | |
| | α | 2 | α | 3 | α | 4 | α | 5 | | |
| 14 | β | 12 | β | 11 | β | 10 | β | 9 | | |
| m=14 | р | 0.14 | р | 0.21 | р | 0.29 | р | 0.36 | | |
| | optimal policy | Accept | optimal policy | Continue | optimal policy | Continue | optimal policy | Continue | | |
| | α | 2 | α | 3 | а | 4 | α | 5 | α | 6 |
| | β | 13 | β | 12 | b | 11 | β | 10 | β | 9 |
| m=15 | р | 0.13 | p | 0.2 | р | 0.27 | р | 0.33 | р | 0.40 |
| | optimal policy | Accept | optimal policy | Continue | optimal policy | Reject | optimal policy | Continue | optimal policy | Continue |
| | α | 3 | α | 4 | а | 5 | α | 6 | α | 7 |
| 16 | β | 13 | β | 12 | b | 11 | β | 10 | β | 9 |
| m=16 | p | 0.18 | p | 0.25 | р | 0.31 | p | 0.37 | p | 0.43 |
| | optimal policy | Accept | optimal policy | Continue | optimal policy | Continue | optimal policy | Continue | optimal policy | Reject |

8. Conclusions

In this paper, we developed two optimization models for acceptance sampling plan. The first model is written for the cases that inspection is perfect and the second one considers inspection errors in the model. It is observed that the obtained dynamic model can be solved recursively using a heuristic method. To achieve this goal, we used a dynamic programming model and