

# Bibliographical Notes

The history of theoretical stochastic processes can be found in books on theoretical probability or stochastic processes. Extensive notes on this are in [46, 61], and miscellaneous references are in the miscellaneous books [10, 18, 26, 37, 38, 41, 42, 62, 63, 84, 96, 102, 106, 114].

The history of applied stochastic processes parallels that of theoretical work. The developments in applied stochastic processes stem from advances in theoretical probability as well as from problems that cry out for solutions. Standard texts on applied stochastic processes are [10, 27, 42, 46, 62, 63, 76, 78, 93, 94, 98], and those with a more specialized focus are [2, 54, 59, 109, 116]. Much of the material on actual applications has been presented in technical reports or in specialized journals that is not conducive to a unified review. So I will only comment on some of the main themes and representative references while discussing the chapters.

Most of Chapter 1 on Markov chains is standard. Exceptions are the reflected random walk (a framework for several models), which is a discrete-time version of the Skorohod equation for reflected Brownian motion [64], and the network models are discrete-time versions of the continuous-time Jackson network models in Chapter 4. Further background and more intricate branching process models are discussed in [49, 58, 62, 63]. References on general Markov processes are the early work [75] and the more current books [38, 37, 41, 42, 61, 84, 96, 106]. Phase-type distributions and computational algorithms, which were not covered, are discussed in [85].

Chapter 2 on Renewal and Regenerative Processes is a fairly thorough coverage of the literature in the 1950s and 1960s, including the works [3, 42, 81, 107] and ending with [69] (only a few articles have appeared after this one). Regenerative processes were popularized with the work of Smith [107]; many applications continue to be based on analyzing processes at embedded times that may or may not be regeneration times. The examples here and in other chapters on reliability and maintenance, production systems, and insurance are indicative of those fields; see for instance [4, 5, 8] and [22, 48, 94].

The richness of the applications of Poisson processes led me to devote an entire chapter to it. Chapter 3 covers classical Poisson processes, but goes further to show the variety of Poisson processes in space and time and their transformations that yield tractable models for systems. Standard references on point processes are the early work of Poisson [87] and later works are [16, 30, 60, 66]; further examples are in [6, 40, 44, 73, 101, 103]. The section on batch-service queueing systems describes a classic Markov decision model [33] (or stochastic dynamic programming model). Dynamic programming is described in [77, 90, 109]. The Markov/Poisson particle model is an elementary example of independent particles [34]; interacting particle systems are discussed in [80]. The Grigelionis theorem [45] showing that Poisson processes are natural limits for sparse point processes, is analogous to the central limit theory for summation processes converging to Brownian motion covered in Chapter 5.

Queueing processes, input-output systems, and stochastic networks have been a main part of applied stochastic processes. This is reflected in Chapter 4 on Continuous-Time Markov Chains. In addition to covering the basics of CTMCs, the chapter provides numerous queueing and network models. Sample references on early work on queueing processes are [20, 28, 40, 44, 57, 68, 70, 71, 72, 82, 91], books on queueing are [2, 6, 12, 13, 15, 28, 29, 39, 47, 59, 74, 88, 108, 116], and works on stochastic networks are [7, 9, 23, 25, 67, 92, 95, 99, 101, 110, 111]. Palm probabilities, that began with Palm [86], are introduced to describe certain PASTA (Poisson actions see time averages) properties [116] of queues and other processes.

The final chapter on Brownian motion covers many of its properties, without getting into more advanced stochastic integration. Books that discuss Brownian motion include [10, 18, 46, 61, 64]. Several key works on Donsker's functional central limit theorem [35, 36] and based on ideas of Prohorov and Skorohod, followed by Billingsley, are [11, 35, 36, 104, 105]. Major applications in queueing and elsewhere are nicely reviewed in Whitt [55, 113]; also see the early work of Kingman 1961 and Iglehart and Whitt 1970 on heavy-traffic queues. During the last three decades, there has been a substantial stream of articles on heavy-traffic systems, Brownian approximations and fluid queues. Much of this research has been done by Harrison and his colleagues Bramson, Chen, Dai, Mandelbaum, Reiman, and Williams [14, 16, 24, 25, 30, 31, 50, 51, 52, 77, 83, 92, 112].

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# Notation

$\mathbf{1}(\cdot)$	The indicator function that is 1 or 0 when $(\cdot)$ is true or false
$A(t) = t - T_{N(t)}$	Backward recurrence time
$B(t) = T_{N(t)+1} - t$	Forward recurrence time
$B, B(t)$	Standard Brownian motion process
$C_K^+(S)$	Set of continuous $f : S \rightarrow \mathbb{R}_+$ with compact support
$\delta_x(A) = \mathbf{1}(x \in A)$	Dirac measure with unit mass at 1
$\mathbb{D}$	Set of right-continuous, piece-wise constant functions $x : \mathbb{R} \rightarrow S$ with left-hand limits, and finite number of jumps in finite intervals
$D = D[0, 1], D[0, T], D(\mathbb{R})$	Set of real valued functions on $[0, 1], [0, T], \mathbb{R}$ that are right continuous with left-hand limits
DRI	Directly Riemann integrable
$E$	Expectation operator
$E[X Y], E[X A]$	Conditional expectations
$E[e^{sX}]$	Moment generating function of $X$
$\hat{F}(\alpha) = \int_{\mathbb{R}_+} e^{-\alpha t} dF(t)$	Laplace transform of $F$
$e_i = (0, \dots, 0, 1, 0 \dots, 0)$	$i$ th unit vector
$\mathcal{F}, \mathcal{F}_t, \mathcal{F}_n$	$\sigma$ -field of events
$\mathcal{F}_\tau$	$\sigma$ -field of events up to stopping time $\tau$
$\mathcal{F}_t^Y$	$\sigma$ -field of events generated by process $Y$
$f(t), g(t), h(t), H(t)$	Functions
$f(t) = f^+(t) - f^-(t)$	$f$ equals its positive part minus its negative part
$F(t), G(t)$	Distribution functions
$F_e(x) = \frac{1}{\mu} \int_0^x [1 - F(s)] ds$	Equilibrium distribution of $F$
$\gamma_i$	Invariant measure of a CTMC
$H(t) = h(t) + F \star H(t)$	Renewal equation
$\lambda, \lambda(A)$	Arrival rate, and rate of entering $A$
$\mu, \mu(A)$	Service rate or mean, and measure of $A$
$M(t), M(A \times B)$	Counting process, or Poisson process



$M(t) = \max_{s \leq t} B(s)$	Maxima of Brownian motion $B$
$N(t)$	Counting process, or renewal process
$N_{\mathcal{T}}$	Point process of $\mathcal{T}$ -transitions of a CTMC
$N(\mu, \sigma^2)$	Normal random variable with mean $\mu$ and variance $\sigma^2$
$P = (p_{ij})$	Matrix of Markov chain transition probabilities
Random element $X$ in $S$	$X$ is measurable map from a probability space to $S$
$P_{\mathcal{T}}(\cdot)$	Palm probability of a $\mathcal{T}$ -transition of a CTMC
$p_{ij}(t)$	Transition probability of a CTMC
$p_i, p(x)$	Stationary distributions of a CTMC
$q_i$	Exponential sojourn rate in state $i$ of a CTMC
$q_{ij}, q(x, y)$	Transition rates of a CTMC
$Q = (q_{ij})$	Transition rate matrix of a CTMC
$\mathbb{R}, \mathbb{R}_+$	The real numbers and nonnegative real numbers
$S$	A countable state space for Markov chains in Chapter 1
$S, \mathcal{S}, \hat{\mathcal{S}}$	Polish space and its Borel sets and bounded Borel sets
$\tau, \tau_i, \tau_i(n)$	Stopping time, and entrance times to state $i$
$\mathcal{T}$	Subset of sample paths in $D$
$\mathcal{T}$ -transition	A jump time $t$ of a CTMC $X$ with $S^t X \in \mathcal{T}$
$T_n$	Time of $n$ th event occurrence, or $n$ th renewal time, or time of $n$ th jump in a CTMC
$U(t) = \sum_{n=0}^{\infty} F^{n*}(t)$	Renewal function
$X_n, Y_n$	Markov chains or sequences of random variables
$X(t), Y(t), Z(t)$	Continuous-time stochastic processes
$\xi_n = T_n - T_{n-1}$	$n$ th inter-renewal time, or time between event occurrences
$\xi_n = T_{n+1} - T_n$	Sojourn time in a CTMC
$W(t), W(A)$	Waiting time process or sojourn time in set $A$
$\mathbb{Z}, \mathbb{Z}_+$	The integers and nonnegative integers
a.s.	Almost surely, meaning with probability one
$x \vee y = \max\{x, y\}$	Maximum of $x$ and $y$
$x \wedge y = \min\{x, y\}$	Minimum of $x$ and $y$
$X(t) \xrightarrow{d} Y$	$X(t)$ converges in distribution to $Y$ as $t \rightarrow \infty$
$X \stackrel{d}{=} Y$	The distributions of $X$ and $Y$ are equal
$x^+ = \max\{0, x\}$	Positive part of $x$
$x^- = -\min\{0, x\}$	Negative part of $x$ and $x = x^+ - x^-$
$\sum_{n=1}^{N(t)} (\cdot) = 0$	When $N(t) = 0$
$\prod_{k=1}^x (\cdot) = 1$	When $x = 0$
$\lfloor x \rfloor$	Largest integer $\leq x$ , or the integer part of $x$
$\lceil x \rceil$	Smallest integer $\geq x$
$f(t) = o(g(t))$ as $t \rightarrow t_0$	$\lim_{t \rightarrow t_0} f(t)/g(t) = 0$
$f(t) = O(g(t))$ as $t \rightarrow t_0$	$\limsup_{t \rightarrow t_0}  f(t) / g(t)  < \infty$
$a \Rightarrow b, a \Leftrightarrow a$	$a$ implies $b$ , and $a$ is equivalent to $b$

# Index

- $T$ -transitions of CTMC
  - Palm probability, 299–314
  - PASTA, 303–306
  - Poisson, 291–299
- Arithmetic and non-arithmetic distributions, 108, 117
- Asymptotic stationarity
  - CTMC, 329
  - Markov chain – discrete time, 41
- Bernoulli process, 93, 156, 216
- Borel sets, 122, 145, 406, 409
  - bounded, 170, 181
- Brownian bridge, 380
  - as Gaussian process, 380
  - empirical distribution, 380
  - Kolmogorov-Smirnov statistic, 381
  - probability, 404
  - relation to Brownian motion, 403
- Brownian motion, 341–404
  - arc sine law, 352
  - as diffusion process, 344
  - as Gaussian process, 347
  - Brownian/Poisson particle system, 387, 403
  - CTMC approximation, 376
  - definition, 342
  - Donsker’s theorem, 370
  - existence, 348
  - functions that are Brownian, 394
  - geometric Brownian motion, 383
  - heavy-traffic queueing approximation, 389
  - hitting times, 350, 361
  - in random environment, 393
  - law of iterated logarithm, 364
  - Markov chain – discrete time approximation, 403
  - maximum process, 349
    - SLLN, 365
  - minimum process, 351
  - multidimensional, 385
    - Bessel process, 385, 404
  - optional stopping, 360
  - peculiarities of sample paths, 377–379
  - quadratic variation, 400
  - random walk approximation, 372
  - reflection principle, 350, 398
  - regenerative-increment approximation, 373
  - related martingales, 356
  - relation to Brownian bridge, 380, 403
  - renewal approximation, 376
  - Skorohod embedding, 371
  - SLLN, 364
  - strong Markov property, 344
  - symmetry property, 343
  - with drift, 343
- Campbell formula, 110, 307
- Central limit theorems
  - Anscombe theorem, 136, 375
  - CLT – renewal and regenerative, 135–139
  - CLT, Markov chains, 139, 170, 333
  - CLT, random walk, 166
  - Donsker’s FCLT, 368–373
  - FCLT – regenerative-increment and Markov chains, 374
  - FCLT – renewal process, 376
- Chebyshev’s inequality, 415
- Composition mapping, 374, 394, 406, 412
- Conditional expectation, 81, 355, 358, 417
- Conditional probabilities, 81–83, 417

- Conditionally independent, 47
- Confidence interval for mean, 137, 166
- Continuous-mapping theorem, 369, 370, 382, 393, 402, 422, 423
- Convergence
  - lim inf, 421
  - lim sup, 421
  - a.s., 47, 421
  - asymptotic stationarity, 41
  - coupling, 73
  - in distribution, 41, 42, 422
    - Donsker's theorem, 370
    - FCLT, 370
    - in  $D(\mathbb{R}_+)$ , 371
    - in  $D[0, 1]$ , 369
    - invariance principle, 370
    - point processes, 218
    - queues in heavy traffic, 389
    - random walk, 372
  - in probability, 421, 422
  - in total variation, 74
  - martingales and submartingales, 357
  - of partitions, 224
  - rate for CTMC, 266
  - real numbers, 421
  - sums of point processes, 220
  - vague, 218
  - weak, 218, 422
- Convolution, 416
  - inter-renewal time, 110
  - networks, 57, 227, 334
  - renewal function, 114, 167
  - sums, 101
- Coupling, 24, 40, 73, 424
- Covariance
  - Brownian bridge, 380
  - Brownian motion, 343, 347, 386
  - Gaussian process, 346
  - Jackson networks, 334
  - moving average, 396
  - Ornstein-Uhlenbeck, 348
  - renewal limits, 164
  - weakly stationary, 396
- CTMC, 241–340
  - as a Markov jump process, 242
  - asymptotic stationarity, 329
  - Chapman Kolmogorov equations, 250
  - CLT, 333
  - compound Poisson process, 323
  - defining parameters, 243
  - existence, 253
  - finite dimensional distributions, 250
  - formulated by clock times, 246, 323
  - Jackson networks, 282–287, 298, 331, 334
  - Kolmogorov differential equations, 251
  - Lévy formula, 270
  - Markov property, 248, 325
  - Markov-Renewal process, 321
  - Markov/Poisson particle system, 339
  - multiclass networks, 287–291, 336
  - P-regular transition rates, 244, 245, 253, 322, 331
  - Palm probabilities, 299–314
  - Poisson transition times, 291–299
  - regenerative property, cycle costs, 263
  - reversibility, 272–281, 333
  - SLLN, 264–269
  - stationary and limiting distributions, 258–262
  - transition rates, 251, 253
  - uniform transition rates, 256, 329
- Diagonal selection principle, 75
- Distribution function, 406
  - $\chi$ -squared, 386
  - arc sine and arc cosine, 352, 353, 397
  - arithmetic and non-arithmetic, 108, 262
  - beta, 146, 178
  - exponential, 102, 125, 225, 366
  - geometric, 5, 12, 21, 85, 96
  - Gumbel, 338
  - multivariate normal, 345
  - table of continuous distributions, 408
  - table of discrete distributions, 407
- Dominated convergence theorem, 424
- Empirical distribution, 380, 402
- Equilibrium distribution, *see* Stationary distribution
- Estimation
  - consistent estimator, 68, 96, 105, 380
  - CTMC stationary distribution, 330
  - empirical distribution, 380
  - Poisson rate, 105
  - simulation, 68
  - transition probabilities, 97
  - unbiased estimator, 105, 380
- Extreme-value process, 88, 338
- Fatou's lemma, 424
- Finite-dimensional distributions, 2, 410
  - Brownian motion, 343
  - convergence, 368
  - Gaussian, 347
  - independent random elements, 420
  - Kolmogorov consistency condition, 419

- Markov chain discrete time, 6
  - point process, 182
  - random element, 409
- First entrance time, *see* Stopping time
- Fubini's theorem, 415
- Hitting time, *see* Stopping time
- Integral
  - convergence, 219, 424
  - directly Riemann integrable, 118, 151
  - expectation, 407, 410
  - Fubini theorem, 416
  - Laplace transform, 184
  - Lebesgue, 413
  - point process, 184, 187
  - renewal process, 159
  - Riemann integral, 118, 151
  - Riemann-Stieltjes, 109, 379, 410
- Intensity measure, *see* Poisson process
- Invariant measure, 260
  - CTMC, 260, 272
  - Jackson network, 284
  - Markov chain – discrete time, 35
- Inventory model, 10, 43, 85, 87, 399
  - ( $s, S$ ), 10, 43, 53
  - production-inventory, 161, 330
  - reflected random walk, 87
- Jensen's inequality, 415
- Kolmogorov extension theorem, 420
- Kolmogorov reversibility criterion, 64
- Lévy formula, 270, 271
- Laplace functional, 184
  - convergence, 219
  - moments, 238
  - Poisson, 185
- Laplace transform, 109, 414
- Limiting Distributions, 122
  - crude regenerations, 120
  - cyclic renewal process, 165
  - Kolmogorov-Smirnov statistic, 381
  - Markov chain in discrete time, 40–42, 74, 126
  - Markov-renewal process, 322
  - regenerative process, 121
  - renewal process, 124
  - SLLN, 47
  - stationary distribution, 90, 258
  - waiting times in G/G/1 queue, 315
- Lindley recursion, 15, 314, 390
- Locally finite measure, 182, 183, 186, 189, 190, 211, 218
- M/M/1, *see* Queueing Process, M/M/s
- Machine maintenance, *see* Production model
- Markov chain
  - transition probabilities, 3
- Markov chain – discrete time, 1–98
  - absorbing state, 22
  - aperiodic state, 23
  - Chapman-Kolmogorov equations, 75
  - classification of states, 19–26
  - closed class, 22
  - communication graph, 73
  - construction, 9
  - coupling, 73
  - definition, 2
  - ergodic, 26, 36
  - existence, 9
  - first-step analysis, 20
  - Foster criterion, 76, 77
  - hitting probabilities, 26–30
  - hitting time, 16, 43
  - invariant measure, 35, 38
  - irreducible set, 22
  - limiting distribution, 40
  - maxima, 8
  - Monte Carlo, 68–71
  - non-homogeneous, 2, 87
  - null-communication relation, 22
  - null-recurrent state, 20
  - on subspace, 71
  - optimal design, 53
  - Pake criterion, 78
  - periodic state, 23
  - positive recurrent state, 20
  - rate of transitions, 50
  - regenerative property, 18, 43
  - reversible, 61–67
  - sample path probabilities, 6
  - simulation of, 9
  - SLLN, 46, 47
  - sojourn time, 51
  - stationary distribution, 35, 36
  - stopping time, 16, 43, 73, 88
  - strong Markov property, 17
  - taboo probability, 7, 28, 39
  - transient state, 20
  - transition graph, 23, 26
  - transition probabilities, 2, 6
  - two state, 86
- Markov property
  - continuous time, 242, 248

- Markov chain – discrete time, 2
  - strong – Brownian motion, 344, 350
  - strong – continuous time, 250, 262
  - strong – discrete time, 16
- Markov's inequality, 414
- Martingales and submartingales, 354–357
  - Brownian motion, 356
  - Brownian motion hitting times, 363, 364
  - convergence theorem, 357
  - optional stopping, 358, 360
  - stationary independent increments, 356
- Mean measure, *see* Intensity measure
- Measurable function, 109, 145, 369, 406, 407, 410
  - composition, 412
  - point process, 182
  - probability kernel, 417
  - random element, 409
- Memoryless property
  - exponential distribution, 125, 225, 248
  - geometric distribution, 85
  - Markov property, 13
- Modulus of continuity, 372
- Moments
  - characteristic function, 414
  - generating function, 414
  - Laplace transform, 414
  - moment generating function, 413
  - random variable, 407
- Monotone convergence theorem, 424
- Moving average, 93
- Optional stopping of martingales, 358–361
- Order statistics, 178, 179, 229
- P-regular transition rates, *see* CTMC
- Palm probabilities for CTMC, 299–314
  - Campbell formula, 307
  - definition, 300
  - PASTA, 303
  - SLLN, 311
  - sojourn and travel times, 312
  - stationarity property, 310
  - time dependent, 302
- Parallel processing, 79, 93, 157, 203, 230, 245
- Particle system
  - Brownian/Poisson, 387
  - Ehrenfest, 92
  - Markov/Poisson, 201, 339
- Point process, 100
  - Campbell formula, 110
  - cluster process, 238
  - compound, 214
  - convergence to Poisson, 218–225
  - counting process, 170
  - Cox process, 211
  - delayed renewal, 160
  - finite-dimensional distributions, 182
  - general space, 182
  - infinitely divisible, 234
  - integral, 184, 187
  - intensity measure, 182
  - Laplace transform, 185
  - marked, 192
  - Markov/Poisson, 201
  - mixed sample process, 188
  - moments, 238
  - multiple points, 161
  - non-homogeneous renewals, 162
  - order statistics, 229
  - partition, 197
  - Poisson, 170
  - Poisson cluster process, 215
  - Poisson process on general space, 183
  - queues, 129
  - regeneration times, 147
  - renewal, 100
  - sample process, 188
  - simple, 170
  - SLLN, 104, 160
  - space-time Poisson process, 194
  - stationary, 145
  - stationary renewal process, 145
  - sum of sparse processes, 220
  - thinning, 222, 239
  - transformation, 191
- Poisson process, 169–239
  - $M_t/G_t/\infty$  systems, 203, 206
  - approximation for partitions, 224
  - approximation for point-process sums, 220
  - as renewal process, 173
  - as sample process, 189
  - classical, 170
  - compound Poisson, 214
  - convergence to, 219
  - Cox process relative, 211
  - existence, 190
  - general space, 183
  - infinitesimal properties, 173
  - intensity measure, 182, 185
  - Laplace functional, 185
  - marks and  $p$ -marks, 194, 195, 197, 200
  - multinomial point locations, 176
  - order statistic property, 179
  - rare event approximation, 216
  - rate function, 183, 190, 198, 231

- simulation of, 198
- space-time, 194, 203, 205, 207, 215, 236
- splitting and merging, 199
- thinning and partitioning, 197
- transformations, 190–200
- translations, 200
- Polish space, *see* State space
- Portmanteau theorem for convergence, 423
- Probability distribution, *see* Distribution function
- Probability kernel, 417
- Probability space, 2, 405
  - $\sigma$ -field, 2, 405, 406
  - filtration, 354
  - probability measure, 2, 405
- Processor-sharing, 291
- Production model
  - dynamic servicing, 230
  - flexible manufacturing, 4, 37
  - fork-join network, 80, 98
  - job processing, 230
  - line interruptions, 186
  - machine availability, 86
  - machine deterioration, 10, 37, 52, 257
  - machine network, 11
  - machine replacement, 91
  - optimal machine replacement, 54
  - production-inventory, 161
  - production-maintenance network, 286
- Pull-through property, 44, 77, 83, 259, 263
- Queueing network, *see* Stochastic network
- Queueing process
  - $G/G/1$ 
    - heavy traffic, 389–393
    - Little law, 131, 165
    - waiting time limits, 315
  - $M/G/1$  and  $G/M/1$ 
    - waiting time and queue limits, 317–321
  - $M/G/\infty$  and  $M_t/G_t/\infty$ , 203–211
    - bounded queue, 278
    - departure process, 232
    - in space, 236
    - multiclass, 235
    - stationary distribution, 235
  - $M/M/s$ 
    - arrival process, 296
    - as birth-death process, 247
    - balking and renegeing, 326
    - departure process, 297
    - production-inventory system, 330
    - stationary distribution, 275
    - waiting times, 304, 312
    - with feedbacks, 324
  - acyclic network, 208
  - batch service, 327, 338
    - optimal batch size, 132
  - merging process, 325
  - optimal dispatching, 172, 228
  - regenerative process
    - Little law, 129, 130
  - with blocking, 326
- Queueing process in discrete time
  - $M/M/1$  system, 12
    - buffer sharing, 94
    - busy period, 19, 94
    - stationary distribution, 44
    - with costs, 94
  - closed and open networks, 55–61
  - fork-join network, 80
  - optimal design, 54
  - perishable service, 85
  - reflected random walk, 13
- Random walk, 3, 13
  - approximated by Brownian motion, 372
  - continuous time, 370
  - Donsker's FCLT, 368
  - gambler's ruin, 4, 29, 92
  - in  $G/G/1$  queues, 389, 403
  - multidimensional, 386
  - on circles, 65, 73, 95
  - on graphs, 92, 95
  - period, 95
  - range of, 403
  - reflected, 13, 86, 88, 323
  - reversible, 62
  - Skorohod embedding, 371
- Rate function, *see* Poisson process
- Record value, 88
- Reflection
  - Brownian motion, 343, 367, 394
  - mapping, 392
  - principle of Brownian motion, 350, 351, 398
  - random walk, 13, 86–88
- Regenerative process, 121–125
  - batch-service queue, 132–135
  - CLT, 136
  - crude regenerations, 120
  - definition, 121
  - inheritance, 122
  - limiting distribution, 123
  - Little law, 129
- Regenerative-increment process, 126–128
  - CLT, 136
  - definition, 127
  - FCLT, 374

- SLLN, 128
- Wald identity, 127
- Renewal Process, 99–167
  - alternating, 104
  - Blackwell's theorem, 116
  - cyclic, 103
  - definition, 100
  - delayed, 103
  - direct Riemann integrable, 119
  - elementary renewal theorem, 116
  - key renewal theorem, 119
  - renewal equation, 115
  - renewal function, 108
  - SLLN, 105
  - with rewards, 107
- Renewal process
  - backward and forward recurrence time, 124
  - key renewal theorem proof, 151
  - refined limit laws, 148
  - SLLN for Markov chain – discrete time, 126
  - stationary, 144–148
  - stopping time, 112
  - terminating, 139–144
- Reversible
  - CTMC, 272–281
  - Markov chain in discrete time, 61–67
  - simulation, 68
- Simulation, 68–71
  - Gibbs sampler model, 69
  - Hastings-Metropolis model, 69
  - Markov chain in discrete time, 10
  - Poisson process, 198
  - random variable, 9, 86
- Skorohod embedding theorem, 371
- SLLN, 104–107
  - Brownian motion, 364–366
  - CTMC, 264–269
  - Markov chain – discrete time, 45–53
  - Palm probability, 311
  - renewal and regeneration, 105, 127, 148
- Sojourn time
  - Markov chain in discrete time, 85
  - CTMC, 243, 246, 254, 257, 265, 312, 323, 327
  - cyclic renewal process, 107
  - highway, 233
  - Little law, 130
  - Markov chain in discrete time, 51
  - queues, 131, 207, 209, 304, 336, 338
  - random walk on graph, 95
  - regenerative process, 129–132
  - uniform rates in CTMC, 255
- State space, 2, 181, 409, 424
- Stationary distribution
  - backward recurrence time, 125, 148
  - forward recurrence time, 125, 145, 156
  - Markov chain – continuous time, 258–262
  - Markov chain – discrete time, 33–42
  - regenerative cycle costs, 42, 263
- Stochastic network
  - BCMP, 291
  - fork-join, 337
  - Jackson, 282–287
    - departure process, 298
    - multiclass, 336
    - star-shaped, 335
    - tandem, 331
    - variable waiting space, 333
  - Kelly, 288, 336
  - multiclass, 287–291
- Stochastic process, 2, 409
  - Bernoulli, 3
  - Bessel, 385, 404
  - birth-death, 247, 275, 278, 296, 297, 331
  - branching, 30–33
  - Brownian bridge, 379–383
  - Brownian motion, 341–404
  - compound Poisson, 181, 214–216, 238, 384, 398
  - diffusion, 343
  - finite-dimensional distributions, 2
  - Gaussian, 346–349, 379, 396
  - geometric Brownian motion, 383–385
  - Markov chain – continuous time, 241–340
  - Markov chain – discrete time, 1–98
  - martingale, 354–361
  - multidimensional Brownian motion, 385–387
  - Ornstein-Uhlenbeck, 348
  - point process, 100, 104, 110, 129, 145, 160, 161
  - Poisson, 169–239
  - random walk, 3
  - renewal and regenerative, 99–167
  - stationary, 33, 144, 155, 167, 260
  - submartingale, 355, 357, 401, 402
  - supermartingale, 355, 402
  - weakly stationary, 396
- Stopping times
  - Brownian motion, 362, 371, 386
  - Brownian motion, 344, 350
  - coupling, 73
  - criterion, 88
  - CTMC, 250, 254, 330

- entrance time, 18, 20
- filtration, 344
- hitting time, 16, 20
- Markov chain in discrete time, 16, 17
- Markov chain regenerations, 18, 43
- martingales, 358–361, 400
- reflection principle, 398
- renewal, 112
- Skorohod embedding, 371
- stopped martingale, 359
- sums, 400
- Subadditive renewal function, 162
- Subordinated Brownian motion, 394
- Subordinated Markov chain, 256, 292, 295
- Success runs, 11
- Supremum mapping, 391
- Supremum norm on  $D(0,1]$ , 369–371, 373, 374
  
- Total variation distance, 74
- Traffic equations, 289, 290
- Traffic intensity, 45, 314
  
- Transforms
  - characteristic function, 414
  - Laplace, 414
  - moment generating function, 414
- Truncation of state space, 278, 279
  
- Uniform norm, *see* Supremum norm on  $D[0,1]$
- Uniformly integrable, 357, 424
  
- Vague convergence, 218
- Variance, 407
  - Brownian motion, 342
  - moving average, 396
  - renewal integral, 187
  - renewal process, 102
  - shot-noise, 229
  - table of distributions, 407
  
- Waiting time, *see* Sojourn time
- Wald identity, 112, 116, 127, 360, 400
- Weakly stationary, 396
- Wiener process, *see* Brownian motion