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**The risk-averse (and prudent) newsboy.** (English) Zbl 0843.90036

Manage. Sci. 41, No. 5, 786-794 (1995).

Summary: The effects of risk and risk aversion in the single-period inventory (“newsboy”) problem are examined. Comparative-static effects of changes in the various price and cost parameters are determined and related to the newsboy’s risk aversion. The addition of a random background wealth and of an increase in the riskiness of newspaper demand are also examined. Although many of the comparative effects generally are ambiguous, some fairly simple restrictions on preferences and/or risk increases are shown to lead to qualitatively deterministic results.

**MSC:**

90B05 Inventory, storage, reservoirs

Cited in **76** Documents

**Keywords:**

newsboy problem; effects of risk and risk aversion; single-period inventory

**Full Text:** [DOI](#)