

Monte Carlo Simulation Formula In Excel Tutorial And

The significantly expanded and updated new edition of a widely used text on reinforcement learning, one of the most active research areas in artificial intelligence. Reinforcement learning, one of the most active research areas in artificial intelligence, is a computational approach to learning whereby an agent tries to maximize the total amount of reward it receives while interacting with a complex, uncertain environment. In Reinforcement Learning, Richard Sutton and Andrew Barto provide a clear and simple account of the field's key ideas and algorithms. This second edition has been significantly expanded and updated, presenting new topics and updating coverage of other topics. Like the first edition, this second edition focuses on core online learning algorithms, with the more mathematical material set off in shaded boxes. Part I covers as much of reinforcement learning as possible without going beyond the tabular case for which exact solutions can be found. Many algorithms presented in this part are new to the second edition, including UCB, Expected Sarsa, and Double Learning. Part II extends these ideas to function approximation, with new sections on such topics as artificial neural networks and the Fourier basis, and offers expanded treatment of off-policy learning and policy-gradient methods. Part III has new chapters on reinforcement learning's relationships to psychology and neuroscience, as well as an updated case-studies chapter including AlphaGo and AlphaGo Zero, Atari game playing, and IBM Watson's wagering strategy. The final chapter discusses the future societal impacts of reinforcement learning.

This book starts with the basic ideas in uncertainty propagation using Monte Carlo methods and the generation of random variables and stochastic processes for some common distributions encountered in engineering applications. It then introduces a class of powerful simulation techniques called Markov Chain Monte Carlo method (MCMC), an important machinery behind Subset Simulation that allows one to generate samples for investigating rare scenarios in a probabilistically consistent manner. The theory of Subset Simulation is then presented, addressing related practical issues encountered in the actual implementation. The book also introduces the reader to probabilistic failure analysis and reliability-based sensitivity analysis, which are laid out in a context that can be efficiently tackled with Subset Simulation or Monte Carlo simulation in general. The book is supplemented with an Excel VBA code that provides a user-friendly tool for the reader to gain hands-on experience with Monte Carlo simulation. Presents a powerful simulation method called Subset Simulation for efficient engineering risk assessment and failure and sensitivity analysis Illustrates examples with MS Excel spreadsheets, allowing readers to gain hands-on experience with Monte Carlo simulation Covers theoretical fundamentals as well as advanced implementation issues A companion website is available to include the developments of the software ideas This book is essential reading for graduate students, researchers and engineers interested in applying Monte Carlo methods for risk assessment and reliability based design in various fields such as civil engineering, mechanical engineering, aerospace engineering, electrical engineering and nuclear engineering. Project managers, risk managers and financial engineers dealing with uncertainty effects may also find it useful.

This accessible new edition explores the major topics in Monte Carlo simulation that have arisen over the past 30 years and presents a sound foundation for problem solving Simulation and the Monte Carlo Method, Third Edition reflects the latest developments in the field and presents a fully updated and comprehensive account of the state-of-the-art theory, methods and applications that have emerged in Monte Carlo simulation since the publication of the classic First Edition over more than a quarter of a century ago. While maintaining its accessible and intuitive approach, this revised edition features a wealth of up-to-date information that facilitates a deeper understanding of problem solving across a wide array of subject areas, such as engineering, statistics, computer science, mathematics, and the physical and life sciences. The book begins with a modernized introduction that addresses the basic concepts of probability, Markov processes, and convex optimization. Subsequent chapters discuss the dramatic changes that have occurred in the field of the Monte Carlo method, with coverage of many modern topics including: Markov Chain Monte Carlo, variance reduction techniques such as importance (re-)sampling, and the transform likelihood ratio method, the score function method for sensitivity analysis, the stochastic approximation method and the stochastic counter-part method for Monte Carlo optimization, the cross-entropy method for rare events estimation and combinatorial optimization, and application of Monte Carlo techniques for counting problems. An extensive range of exercises is provided at the end of each chapter, as well as a generous sampling of applied examples. The Third Edition features a new chapter on the highly versatile splitting method, with applications to rare-event estimation, counting, sampling, and optimization. A second new chapter introduces the stochastic enumeration method, which is a new fast sequential Monte Carlo method for tree search. In addition, the Third Edition features new material on: • Random number generation, including multiple-recursive generators and the Mersenne Twister • Simulation of Gaussian processes, Brownian motion, and diffusion processes • Multilevel Monte Carlo method • New enhancements of the cross-entropy (CE) method, including the “improved” CE method, which uses sampling from the zero-variance distribution to find the optimal importance sampling parameters • Over 100 algorithms in modern pseudo code with flow control • Over 25 new exercises Simulation and the Monte Carlo Method, Third Edition is an excellent text for upper-undergraduate and beginning graduate courses in stochastic simulation and Monte Carlo techniques. The book also serves as a valuable reference for professionals who would like to achieve a more formal understanding of the Monte Carlo method. Reuven Y. Rubinstein. DSc, was Professor Emeritus in the Faculty of Industrial Engineering and Management at Technion-Israel Institute of Technology. He served as a consultant at numerous large-scale organizations, such as IBM, Motorola, and NEC. The author of over 100 articles and six books, Dr. Rubinstein was also the inventor of the popular score-function method in simulation analysis and generic cross-entropy methods for combinatorial optimization and counting. Dirk P. Kroese, PhD, is a Professor of Mathematics and Statistics in the School of Mathematics and Physics of The University of Queensland, Australia. He has published over 100 articles and four books in a wide range of areas in applied probability and statistics, including Monte Carlo methods, cross-entropy, randomized algorithms, tele-traffic c theory, reliability, computational statistics, applied probability, and stochastic modeling.

This book concentrates on the accuracy of risk modelling rather than the management of risk analysis. It provides a comprehensive guide to modelling of uncertainty using spreadsheets and Monte Carlo software on standard PCs. It includes sufficient probability and statistics theory and provides the basic information necessary for a simple risk analysis model.

Simulating Data with SAS

Engineering Applications

An Introduction

Gibbs Fields, Monte Carlo Simulation, and Queues

Microsoft Excel Data Analysis and Business Modeling

Concise Reliability for Engineers

Data simulation is a fundamental technique in statistical programming and research. Rick Wicklin’s Simulating Data with SAS brings together the most useful algorithms and the best programming techniques for efficient data simulation in an accessible how-to book for practicing statisticians and statistical programmers. This book discusses in detail how to simulate data from common univariate and multivariate distributions, and how to use simulation to evaluate statistical techniques. It also covers simulating correlated data, data for regression models, spatial data, and data with given moments. It provides tips and techniques for beginning programmers, and offers libraries of functions for advanced practitioners. As the first book devoted to simulating data across a range of statistical applications, Simulating Data with SAS is an essential tool for programmers, analysts, researchers, and students who use SAS software.SAS Products and Releases: Base SAS: 9.3 SAS/ETS: 9.3 SAS/IML: 9.3 SAS/STAT: 9.3 Operating Systems: All

The purpose of this book is to introduce researchers and practitioners to recent advances and applications of Monte Carlo Simulation (MCS). Random sampling is the key of the MCS technique. The 11 chapters of this book collectively illustrates how such a sampling technique is exploited to solve difficult problems or analyze complex systems in various engineering and science domains. Issues related to the use of MCS including goodness-of-fit, uncertainty evaluation, variance reduction, optimization, and statistical estimation are discussed and examples of solutions are given. Novel applications of MCS are demonstrated in financial systems modeling, estimation of transition behavior of organic molecules, chemical reaction, particle diffusion, kinetic simulation of biophysics and biological data, and healthcare practices. To enlarge the accessibility of this book, both field-specific background materials and field-specific usages of MCS are introduced in most chapters. The aim of this book is to unify knowledge of MCS from different fields to facilitate research and new applications of MCS.

Monte Carlo simulation is one of the best tools for performing realistic analysis of complex systems as it allows most of the limiting assumptions on system behavior to be relaxed. The Monte Carlo Simulation Method for System Reliability and Risk Analysis comprehensively illustrates the Monte Carlo simulation method and its application to reliability and system engineering. Readers are given a sound understanding of the fundamentals of Monte Carlo sampling and simulation and its application for realistic system modeling. Whilst many of the topics rely on a high-level understanding of calculus, probability and statistics, simple academic examples will be provided in support to the explanation of the theoretical foundations to facilitate comprehension of the subject matter. Case studies will be introduced to provide the practical value of the most advanced techniques. This detailed approach makes The Monte Carlo Simulation Method for System Reliability and Risk Analysis a key reference for senior undergraduate and graduate students as well as researchers and practitioners. It provides a powerful tool for all those involved in system analysis for reliability, maintenance and risk evaluations.

This book describes all aspects of Monte Carlo simulation of complex physical systems encountered in condensed-matter physics and statistical mechanics, as well as in related fields, such as polymer science and lattice gauge theory. The authors give a succinct overview of simple sampling methods and develop the importance sampling method. In addition they introduce quantum Monte Carlo methods, aspects of simulations of growth phenomena and other systems far from equilibrium, and the Monte Carlo Renormalization Group approach to critical phenomena. The book includes many applications, examples, and current references, and exercises to help the reader.

A Bag of Tricks

Using Excel to Model Risk, Investments, Genetics, Growth, Gambling and Monte Carlo Analysis

Monte Carlo Simulation and Finance

Quantitative Risk Analysis

Handbook in Monte Carlo Simulation

Quasi-Monte Carlo Methods in Finance with Application to Optimal Asset Allocation

This book brings together expert researchers engaged in Monte-Carlo simulation-based statistical modeling, offering them a forum to present and discuss recent issues in methodological development as well as public health applications. It is divided into three parts, with the first providing an overview of Monte-Carlo techniques, the second focusing on missing data Monte-Carlo methods, and the third addressing Bayesian and general statistical modeling using Monte-Carlo simulations. The data and computer programs used here will also be made publicly available, allowing readers to replicate the model development and data analysis presented in each chapter, and to readily apply them in their own research. Featuring highly topical content, the book has the potential to impact model development and data analyses across a wide spectrum of fields, and to spark further research in this direction.

A comprehensive overview of Monte Carlo simulation that explores the latest topics, techniques, and real-world applications More and more of today’s numerical problems found in engineering and finance are solved through Monte Carlo methods. The heightened popularity of these methods and their continuing development makes it important for researchers to have a comprehensive understanding of the Monte Carlo approach. Handbook of Monte Carlo Methods provides the theory, algorithms, and applications that helps provide a thorough understanding of the emerging dynamics of this rapidly-growing field. The authors begin with a discussion of fundamentals such as how to generate random numbers on a computer. Subsequent chapters discuss key Monte Carlo topics and methods, including: Random variable and stochastic process generation Markov chain Monte Carlo, featuring key algorithms such as the Metropolis-Hastings method, the Gibbs sampler, and hit-and-run Discrete-event simulation Techniques for the statistical analysis of simulation data including the delta method, steady-state estimation, and kernel density estimation Variance reduction, including importance sampling, latin hypercube sampling, and conditional Monte Carlo Estimation of derivatives and sensitivity analysis Advanced topics including cross-entropy, rare events, kernel density estimation, quasi Monte Carlo, particle systems, and randomized optimization The presented theoretical concepts are illustrated with worked examples that use MATLAB®, a related Web site houses the MATLAB® code, allowing readers to work hands-on with the material and also features the author's own lecture notes on Monte Carlo methods. Detailed appendices provide background material on probability theory, stochastic processes, and mathematical statistics as well as the key optimization concepts and techniques that are relevant to Monte Carlo simulation. Handbook of Monte Carlo Methods is an excellent reference for applied statisticians and practitioners working in the fields of engineering and finance who use or would like to learn how to use Monte Carlo in their research. It is also a suitable supplement for courses on Monte Carlo methods and computational statistics at the upper-undergraduate and graduate levels.

I look to the left... NOTHING? I look to the right... NOTHING? So, I say to myself: There is SOMETHING here... One of mankind’s successful attempts to find out what that SOMETHING is the Monte Carlo Method. The method, as well as many of the achievements of mankind, was created for military purposes as part of the scientific tasks associated with the creation of the atomic bomb. The event was super secret and everything was encrypted. The code name of the method – Monte Carlo, has proved to be very successful and has survived in civilization (suck fate has the name of the armoured fighting vehicle – tank). The task was to create a method for modeling the behavior of a complex probability system. The classic solution is to present the phenomenon with one, two, etc. (but always a limited number) indicators. The new solution is the opposite – "artificially" increasing the number of input/output information. Currently, the Monte Carlo Method is effective, and in some cases – the only one, solution for a wide range of tasks from all areas of scientific knowledge. That is why we’ve decided to present yet another exposure of the foundations and some of the Monte Carlo applications. The monograph is divided in two parts. The first part returns the reader during the World War II. We follow the development of the idea of the method and the associated need for creating a powerful enough computer. The first publications are mentioned and are examined the scientific basics of the method and some basic algorithms. The second part contains applications of Monte Carlo method for solving tasks that can be characterized as "engineering". Without neglecting the concrete results obtained, we will point out that the described approaches for the practical application of the Monte Carlo method are of the greatest interest.

Introduction to Data Science: Data Analysis and Prediction Algorithms with R introduces concepts and skills that can help you tackle real-world data analysis challenges. It covers concepts from probability, statistical inference, linear regression, and machine learning. It also helps you develop skills such as R programming, data wrangling, data visualization, predictive algorithm building, file organization with UNIX/Linux shell, version control with Git and GitHub, and reproducible document preparation. This book is a textbook for a first course in data science. No previous knowledge of R is necessary, although some experience with programming may be helpful. The book is divided into six parts: R, data visualization, statistics with R, data wrangling, machine learning, and productivity tools. Each part has several chapters meant to be presented as one lecture. The author uses motivating case studies that realistically mimic a data scientist’s experience. He starts by asking specific questions and answers these through data analysis so concepts are learned as a means to answering the questions. Examples of the case studies included are: US murder rates by state, self-reported student heights, trends in world health and economics, the impact of vaccines on infectious disease rates, the financial crisis of 2007-2008, election forecasting, building a baseball team, image processing of hand-written digits, and movie recommendation systems. The statistical concepts used to answer the case study questions are only briefly introduced, so complementing with a probability and statistics textbook is highly recommended for in-depth understanding of these concepts. If you read and understand the chapters and complete the exercises, you will be prepared to learn the more advanced concepts and skills needed to become an expert.

The Monte Carlo Method

Parametric Estimates by the Monte Carlo Method

Computational Materials Science

100 Excel Simulations

Probability for Machine Learning

Introductory Econometrics

An accessible treatment of Monte Carlo methods, techniques, and applications in the field of finance and economics Providing readers with an in-depth and comprehensive guide, the Handbook in Monte Carlo Simulation: Applications in Financial Engineering, Risk Management, and Economics presents a timely account of the applicationsof Monte Carlo methods in financial engineering and economics. Written by an international leading expert in thefield, the handbook illustrates the challenges confronting present-day financial practitioners and provides various applicationsof Monte Carlo techniques to answer these issues. The book is organized into five parts: introduction andmotivation; input analysis, modeling, and estimation; random variate and sample path generation; output analysisand variance reduction; and applications ranging from option pricing and risk management to optimization. The Handbook in Monte Carlo Simulation features: An introductory section for basic material on stochastic modeling and estimation aimed at readers who may need a summary or review of the essentials Carefully crafted examples in order to spot potential pitfalls and drawbacks of each approach An accessible treatment of advanced topics such as low-discrepancy sequences, stochastic optimization, dynamic programming, risk measures, and Markov chain Monte Carlo methods Numerous pieces of R code used to illustrate fundamental ideas in concrete terms and encourage experimentation The Handbook in Monte Carlo Simulation: Applications in Financial Engineering, Risk Management, and Economics is a complete reference for practitioners in the fields of finance, business, applied statistics, econometrics, and engineering, as well as a supplement for MBA and graduate-level courses on Monte Carlo methods and simulation.

Helping you become a creative, logical thinker and skillful "simulator," Monte Carlo Simulation for the Pharmaceutical Industry: Concepts, Algorithms, and Case Studies provides broad coverage of the entire drug development process, from drug discovery to preclinical and clinical trial aspects to commercialization. It presents the theories and methods needed to carry out computer simulations efficiently, covers both descriptive and pseudocode algorithms that provide the basis for implementation of the simulation methods, and illustrates real-world problems through case studies. The text first emphasizes the importance of analogy and simulation using examples from a variety of areas, before introducing general sampling methods and the different stages of drug development. It then focuses on simulation approaches based on game theory and the Markov decision process, simulations in classical and adaptive trials, and various challenges in clinical trial management and execution. The author goes on to cover prescription drug marketing strategies and brand planning, molecular design and simulation, computational systems biology and biological pathway simulation with Petri nets, and physiologically based pharmacokinetic modeling and pharmacodynamic models. The final chapter explores Monte Carlo computing techniques for statistical inference. This book offers a systematic treatment of computer simulation in drug development. It not only deals with the principles and methods of Monte Carlo simulation, but also the applications in drug development, such as statistical trial monitoring, prescription drug marketing, and molecular docking.

Primarily an introduction to the theory of stochastic processes at the undergraduate or beginning graduate level, the primary objective of this book is to initiate students in the art of stochastic modelling. However it is motivated by significant applications and progressively brings the student to the borders of contemporary research. Examples are from a wide range of domains, including operations research and electrical engineering. Researchers and students in these areas as well as in physics, biology and the social sciences will find this book of interest.

Our life is strongly influenced by the reliability of the things we use, as well as of processes and services. Failures cause losses in the industry and society. Methods for reliability assessment and optimization are thus very important. This book explains the fundamental concepts and tools. It is divided into two parts. Chapters 1 to 10 explain the basic terms and methods for the determination of reliability characteristics, which create the base for any reliability evaluation. In the second part (Chapters 11 to 23) advanced methods are explained, such as Failure Modes and Effects Analysis and Fault Tree Analysis, Load-Resistance interference method, the Monte Carlo simulation technique, cost-based reliability optimization, reliability testing, and methods based on Bayesian approach or fuzzy logic for processing of vague information. The book is written in a readable way and practical examples help to understand the topics. It is complemented with references and a list of standards, software and sources of information on reliability.

Rare Event Simulation using Monte Carlo Methods

Theory and Applications of Monte Carlo Simulations

Basics and Standard Procedures

From Linear to Non-Linear

Monte Carlo Particle Transport Methods

Monte Carlo Simulation of Shalev/Cuttler Type 3He Ionization Chamber

Monte Carlo methods are revolutionizing the on-line analysis of data in many fields. They have made it possible to solve numerically many complex, non-standard problems that were previously intractable. This book presents the first comprehensive treatment of these techniques.

Covering a variety of Excel simulations, from gambling to genetics, this introduction is for people interested in modeling future events, without the cost of an expensive textbook. The simulations covered offer a fun alternative to the usual Excel topics and include situations such as roulette, password cracking, sex determination, population growth, and traffic patterns, among many others.

The Monte Carlo Method: The Method of Statistical Trials is a systematic account of the fundamental concepts and techniques of the Monte Carlo method, together with its range of applications. Some of these applications include the computation of definite integrals, neutron physics, and in the investigation of servicing processes. This volume is comprised of seven chapters and begins with an overview of the basic features of the Monte Carlo method and typical examples of its application to simple problems in computational mathematics. The next chapter examines the computation of multi-dimensional integrals using the Monte Carlo method. Some examples of statistical modeling of integrals are analyzed, together with the accuracy of the computations. Subsequent chapters focus on the applications of the Monte Carlo method in neutron physics; in the investigation of servicing processes; in communication theory; and in the generation of uniformly distributed random numbers on electronic computers. Methods for organizing statistical experiments on universal digital computers are discussed. This book is designed for a wide circle of readers, ranging from those who are interested in the fundamental applications of the Monte Carlo method, to those who are concerned with comparatively limited

problems of the peculiarities of simulating physical processes.

In a probabilistic model, a rare event is an event with a very small probability of occurrence. The forecasting of rare events is a formidable task but is important in many areas. For instance a catastrophic failure in a transport system or in a nuclear power plant, the failure of an information processing system in a bank, or in the communication network of a group of banks, leading to financial losses. Being able to evaluate the probability of rare events is therefore a critical issue. Monte Carlo Methods, the simulation of corresponding models, are used to analyze rare events. This book sets out to present the mathematical tools available for the efficient simulation of rare events. Importance sampling and splitting are presented along with an exposition of how to apply these tools to a variety of fields ranging from performance and dependability evaluation of complex systems, typically in computer science or in telecommunications, to chemical reaction analysis in biology or particle transport in physics. Graduate students, researchers and practitioners who wish to learn and apply rare event simulation techniques will find this book beneficial.

Using Monte Carlo Simulation with Microsoft Excel

Simulation and the Monte Carlo Method

Engineering Risk Assessment with Subset Simulation

Handbook of Monte Carlo Methods

Data Analysis and Prediction Algorithms with R

The Monte Carlo Simulation Method for System Reliability and Risk Analysis

This monograph is devoted to the further development of parametric weight Monte Carlo estimates for solving linear and nonlinear integral equations, radiation transfer equations, and boundary value problems, including problems with random parameters. The use of these estimates leads to the construction of new, effective Monte Carlo methods for calculating parametric multiple derivatives of solutions and for the main eigenvalues.

The book opens with an introduction on the theory of weight Monte Carlo methods. The following chapters contain new material on solving boundary value problems with complex parameters, mixed problems to parabolic equations, boundary value problems of the second and third kind, and some improved techniques related to vector and nonlinear Helmholtz equations. Special attention is given to the foundation and optimization of the global 'walk on grid' method for solving the Helmholtz difference equation. Additionally, new Monte Carlo methods for solving stochastic radiation transfer problems are presented, including the estimation of probabilistic moments of corresponding critical parameters.

Monte Carlo methods have been used for decades in physics, engineering, statistics, and other fields. Monte Carlo Simulation and Finance explains the nuts and bolts of this essential technique used to value derivatives and other securities. Author and educator Don McLeish examines this fundamental process, and discusses important issues, including specialized problems in finance that Monte Carlo and Quasi-Monte Carlo methods can help solve and the different ways Monte Carlo methods can be improved upon. This state-of-the-art book on Monte Carlo simulation methods is ideal for finance professionals and students. Order your copy today.

Developed from the author ' s course at the Ecole Polytechnique, Monte-Carlo Methods and Stochastic Processes: From Linear to Non-Linear focuses on the simulation of stochastic processes in continuous time and their link with partial differential equations (PDEs). It covers linear and nonlinear problems in biology, finance, geophysics, mechanics, chemistry, and other application areas. The text also thoroughly develops the problem of numerical integration and computation of expectation by the Monte-Carlo method. The book begins with a history of Monte-Carlo problems: numerical integration and computation of expectation, simulation of complex distributions, and stochastic optimization. The remainder of the text is organized in three parts of progressive difficulty. The first part presents basic tools for stochastic simulation and analysis of algorithm convergence. The second part describes Monte-Carlo methods for the simulation of stochastic differential equations. The final part discusses the simulation of non-linear dynamics.

Wave Propagation and Scattering in Random Media, Volume 1: Single Scattering and Transport Theory presents the fundamental formulations of wave propagation and scattering in random media in a unified and systematic manner, as well as useful approximation techniques applicable to a variety of different situations. The emphasis is on single scattering theory and transport theory. The reader is introduced to the fundamental concepts and useful results of the statistical wave propagation theory. This volume is comprised of 13 chapters, organized around three themes: waves in random scatterers, waves in random continua, and rough surface scattering. The first part deals with the scattering and propagation of waves in a tenuous distribution of scatterers, using the single scattering theory and its slight extension to explain the fundamentals of wave fluctuations in random media without undue mathematical complexities. Many practical problems of wave propagation and scattering in the atmosphere, oceans, and other random media are discussed. The second part examines transport theory, also known as the theory of radiative transfer, and includes chapters on wave propagation in random particles, isotropic scattering, and the plane-parallel problem. This monograph is intended for engineers and scientists interested in optical, acoustic, and microwave propagation and scattering in atmospheres, oceans, and biological media.

Sequential Monte Carlo Methods in Practice

Practical Monte Carlo Simulation with Excel - Part 1 of 2

A Primer for the Monte Carlo Method

Monte Carlo Simulation

Discover How To Harness Uncertainty With Python

Reinforcement Learning, second edition

Inhaltsangabe:Introduction: Portfolio optimization is a widely studied problem in finance. The common question is, how a small investor should invest his wealth in the market to attain certain goals, like a desired payoff or some insurance against unwished events. The starting point for the mathematical treatment of this is the work of Harry Markowitz in the 1950s. His idea was to set up a relation between the mean return of a portfolio and its variance. In his terminology, an efficient portfolio has minimal variance of return among others with the same mean rate of return. Furthermore, if linear combinations of efficient portfolios and a riskless asset are allowed, this leads to the market portfolio, so that a linear combination of the risk-free asset and the market portfolio dominates any other portfolio in the mean-variance sense. Later, this theory was extended resulting in the CAPM, or capital asset pricing model, which was independently introduced by Treynor, Sharpe, Lintner and Mossin in the 1960s. In this model, every risky asset has a mean rate of return that exceeds the risk-free rate by a specific risk premium, which depends on a certain attribute of the asset, namely its β . The so-called β in turn is the covariance of the asset return normalized by the variance of the market portfolio. The problem of the CAPM is its static nature, investments are made once and then the state of the model changes. Due to this and other simplifications, this model was and is often not found to be realistic. An impact to this research field were the two papers of Robert Merton in 1969 and 1971. He applied the theory of Ito calculus and stochastic optimal control and solved the corresponding Hamilton-Jacobi-Bellman equation. For his multiperiod model, he assumed constant coefficients and an investor with power utility. Extending the mean-variance analysis, he found that a long-term investor would prefer a portfolio that includes hedging components to protect against fluctuations in the market. Again this approach was generalized by numerous researchers and results in the problem of solving a nonlinear partial differential equation. The next milestone in this series is the work by Cox and Huang from 1989, where they solve for Optimal Consumption and Portfolio Policies when Asset Prices Follow a Diffusion Process. They apply the martingale technique to get rid of the nonlinear PDE and rather solve a linear PDE. This, with several refinements, is [...]

The Monte Carlo method is a numerical method of solving mathematical problems through random sampling. As a universal numerical technique, the method became possible only with the advent of computers, and its application continues to expand with each new computer generation. A Primer for the Monte Carlo Method demonstrates how practical problems in science, industry, and trade can be solved using this method. The book features the main schemes of the Monte Carlo method and presents various examples of its application, including queueing, quality and reliability estimations, neutron transport, astrophysics, and numerical analysis. The only prerequisite to using the book is an understanding of elementary calculus.

Probability is the bedrock of machine learning. You cannot develop a deep understanding and application of machine learning without it. Cut through the equations, Greek letters, and confusion, and discover the topics in probability that you need to know. Using clear explanations, standard Python libraries, and step-by-step tutorial lessons, you will discover the importance of probability to machine learning, Bayesian probability, entropy, density estimation, maximum likelihood, and much more.

Aimed at researchers across the social sciences, this book explains the logic behind the Monte Carlo simulation method and demonstrates its uses for social and behavioural research.

A Guide to Monte Carlo Simulation Modelling

Monte Carlo Simulation and Resampling Methods for Social Science

Wave Propagation and Scattering in Random Media

Monte Carlo Methods in Financial Engineering

Monte-Carlo Simulation-Based Statistical Modeling

Concepts, Algorithms, and Case Studies

From the reviews: "Paul Glasserman has written an astonishingly good book that bridges financial engineering and the Monte Carlo method. The book will appeal to graduate students, researchers, and most of all, practicing financial engineers [...] So often, financial engineering texts are very theoretical. This book is not." --Glyn Holton, Contingency Analysis

This book provides the first simultaneous coverage of the statistical aspects of simulation and Monte Carlo methods, their commonalities and their differences for the solution of a wide spectrum of engineering and scientific problems. It contains standard material usually considered in Monte Carlo simulation as well as new material such as variance reduction techniques, regenerative simulation, and Monte Carlo optimization.

Provides an introduction to data analysis and business modeling using Microsoft Excel.

This textbook introduces modern techniques based on computer simulation to study materials science. It starts from first principles calculations enabling to calculate the physical and chemical properties by solving a many-body Schroedinger equation with Coulomb forces. For the exchange-correlation term, the local density approximation is usually applied. After the introduction of the first principles treatment, tight-binding and classical potential methods are briefly introduced to indicate how one can increase the number of atoms in the system. In the second half of the book, Monte Carlo simulation is discussed in detail. Problems and solutions are provided to facilitate understanding. Readers will gain sufficient knowledge to begin theoretical studies in modern materials research. This second edition includes a lot of recent theoretical techniques in materials research. With the computers power now available, it is possible to use these numerical techniques to study various physical and chemical properties of complex materials from first principles. The new edition also covers empirical methods, such as tight-binding and molecular dynamics.

Introducing Monte Carlo Methods with R

From Ab Initio to Monte Carlo Methods

The Method of Statistical Trials

Introduction to Data Science

Applications in Financial Engineering, Risk Management, and Economics

Monte Carlo Simulation for the Pharmaceutical Industry

Students in the sciences, economics, psychology, social sciences, and medicine take introductory statistics. Statistics is increasingly offered at the high school level as well. However, statistics can be notoriously difficult to teach as it is seen by many students as difficult and boring, if not irrelevant to their subject of choice. To help dispel these misconceptions, Gelman and Nolan have put together this fascinating and thought-provoking book. Based on years of teaching experience the book provides a wealth of demonstrations, examples and projects that involve active student participation. Part I of the book presents a large selection of activities for introductory statistics courses and combines chapters such as, 'First week of class', with exercises to break the ice and get students talking; then 'Descriptive statistics', collecting and displaying data; then follows the traditional topics - linear regression, data collection, probability and inference. Part II gives tips on what does and what doesn't work in class: how to set up effective demonstrations and examples, how to encourage students to participate in class and work effectively in group projects. A sample course plan is provided. Part III presents material for more advanced courses on topics such as decision theory, Bayesian statistics and sampling.

This highly accessible and innovative text with supporting web site uses Excel (R) to teach the core concepts of econometrics without advanced mathematics. It enables students to use Monte Carlo simulations in order to understand the data generating process and sampling distribution. Intelligent repetition of concrete examples effectively conveys the properties of the ordinary least squares (OLS) estimator and the nature of heteroskedasticity and autocorrelation. Coverage includes omitted variables, binary response models, basic time series, and simultaneous equations. The authors teach students how to construct their own real-world data sets drawn from the internet, which they can analyze with Excel (R) or with other econometric software. The accompanying web site with text support can be found at www.wabash.edu/econometrics.

With this book we try to reach several more-or-less unattainable goals namely: To compromise in a single book all the most important achievements of Monte Carlo calculations for solving neutron and photon transport problems. To present a book which discusses the same topics in the three levels known from the literature and gives us useful information for both beginners and experienced readers. It lists both well-established old techniques and also newest findings.

This book covers the main tools used in statistical simulation from a programmer ' s point of view, explaining the R implementation of each simulation technique and providing the output for better understanding and comparison.

Markov Chains

A Guide to Monte Carlo Simulations in Statistical Physics

Teaching Statistics

Monte-Carlo Methods and Stochastic Processes

Taking the topics of a quantitative methodology course and illustrating them through Monte Carlo simulation, Monte Carlo Simulation and Resampling Methods for Social Science, by Thomas M. Carsey and Jeffrey J. Harden, examines abstract principles, such as bias, efficiency, and measures of uncertainty in an intuitive, visual way. Instead of thinking in the abstract about what would happen to a particular estimator "in repeated samples," the book uses simulation to actually create those repeated samples and summarize the results. The book includes basic examples appropriate for readers learning the material for the first time, as well as more advanced examples that a researcher might use to evaluate an estimator he or she was using in an actual research project. The book also covers a wide range of topics related to Monte Carlo simulation, such as resampling methods, simulations of substantive theory, simulation of quantities of interest (QI) from model results, and cross-validation. Complete R code from all examples is provided so readers can replicate every analysis presented using R.