



## ANALYSIS OF WARRANTY POLICIES

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There are some warranty policies commonly used: (1) Free-replacement warranty policy (FRW). (2) Pro-rata warranty policy (PRW). (3) Combination policies. In this paper a brief review of policies 1 and 2 as well as some new distribution properties of successive purchase times under the combination policies are given. In addition, a new warranty policy is suggested. Under this policy the failed item within free replacement period  $[0, W]$  is subjected to minimal repair. Under certain cost structure, the long run average cost of customers and the profit of producers are analyzed. Finally, some examples are given.

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