

## OPTIMAL ADMISSION CONTROL FOR TANDEM LOSS SYSTEMS

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We study a system of two queues in tandem with finite buffers, Poisson arrivals to the first station, and exponentially distributed service times at both stations. Losses are incurred either when a customer is rejected at the time of arrival to the first station or when the second station is full at the time of service completion at the first station. The objective is to determine the optimal admission control policy that minimizes the long-run average cost.