

## 1. Section 3.8 Problem 12

- $x_0$  amount of raw materials
- $x_1$  amount of sold product 1
- $x_2$  amount of sold product 2
- $x_{12}$  amount of sold product 2 that is created from product 1
- $x_{13}$  amount of sold product 3 that is created from product 1
- $x_{23}$  amount of sold product 3 that is created from product 2

Here we are assuming that there is no way for creating product 3 from the product 2 that was created from product 1.

Objective Function:

$$\max \quad 10x_1 + 20(x_2 + x_{12}) + 30(x_{13} + x_{23}) - 25x_0 - x_2 - x_{12} - 2x_{13} - 6x_{23}$$

s.t.

$$2x_0 + 3x_{12} + 3x_{13} + x_{23} \leq 25000$$

$$x_1 \leq 5000$$

$$x_2 + x_{12} \leq 5000$$

$$x_{13} + x_{23} \leq 3000$$

$$3x_0 = x_1 + x_{12} + x_{13}$$

$$x_0 = x_2 + x_{23}$$