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Roll no: 540 Operational research.

Q. A company has a current shipping schedule, which is being questioned by the management as to whether or not it is optimal. The firm has 3 factories and 4 warehouse the necessary data in terms of transportation cost in ₹ per unit from a factory to a destination and Factory Capacity and Warehouse Requirements

→ Warehouse  $W_1$   $W_2$   $W_3$   $W_4$  Requirements

Factory

$F_1$	19	30	50	10	720
$F_2$	40	30	40	60	900
$F_3$	40	08	70	20	1800

Capacity 500 800 700 1400

Solve for a basic feasible shipping schedule in terms of lowest possible shipping cost.

Sol: As  $\sum \text{Capacity} = \sum \text{Requirements}$ , the above problem is balanced. We will use Vogel's Approximation Method to solve the above problem.

Requirements =  $700 + 900 + 1800 = 3400$

Capacity =  $500 + 800 + 700 + 1400 = 3400$

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Capacity =  $500 + 800 + 700 + 1400 = 3400$

Iteration I

W.F	$W_1$	$W_2$	$W_3$	$W_4$	Req	Penalty
$F_1$	19	30	50	10	700	9
$F_2$	40	30	40	60	900	10
$F_3$	40	08	70	20	1800	12

Capacity 500 800 700 1400 3400 -

Penalties 21 22 10 10 - -

Iteration II

W.F	$W_1$	$W_2$	$W_3$	$W_4$	Req	Penalties
$F_1$	19 <sup>1500</sup>	50	10	700 <sup>1200</sup>	9	
$F_2$	40	40	60	900	20	
$F_3$	40	70	20	1000	20	

Capacity 500 700 1400 12600 -

Penalties 21<sup>↑</sup> 10 10 - -

### Iteration III

W.F	W <sub>3</sub>	W <sub>4</sub>	W <sub>3</sub>	W <sub>4</sub>	Reg	Penalties
G <sub>1</sub>	50	10			20	40
G <sub>2</sub>	40	60			900	20
G <sub>3</sub>	70	20	1000		1000	50
Capacity	700	1400	700		2100	-
Penalties	10	10			-	-

### Iteration IV

W.F	W <sub>3</sub>	W <sub>4</sub>	Required	Penalties
G <sub>2</sub>	40	60	900	-
Capacity	700	200	1900	-
Penalties	-	-		-

### Iteration V

W.F	W <sub>3</sub>	W <sub>4</sub>	Reg	P
G <sub>2</sub>	40	60	900	-
Cap	700	200	1900	-
Penalties	-	-		-

W.F	W <sub>1</sub>	W <sub>2</sub>	W <sub>3</sub>	W <sub>4</sub>	Requirements
G <sub>1</sub>	19	30	50	10	700
G <sub>2</sub>	40	30	40	60	900
G <sub>3</sub>	40	08	70	20	1300
Cap	500	800	700	1400	

### Total

$$\begin{aligned} \text{Cost} &= 19 \times 500 + 10 \times 200 + 40 \times 700 + 60 \times 200 + 8 \times 300 + 20 \times 1000 \\ &= 9500 + 2000 + 2800 + 12000 + 6400 + 20000 \\ &= 52700 \end{aligned}$$