

1. Drylce, Inc., is a manufacturer of air conditioners. The company anticipates nationwide demand for the next year to be 180,000 units in the South, 120,000 units in the Midwest, 110,000 units in the East, and 100,000 units in the West. Managers at Drylce are designing the manufacturing network and have selected four potential sites --- New York, Atlanta, Chicago and San Diego. Plants could have a capacity of 200,000 units. The annual fixed costs at the four locations are shown in the following table, along with the cost of producing and shipping an air conditioner to each of the four markets. Where should Drylce build its factories and what will be the quantities to be produced at each location and shipped to each market?

	East	South	Midwest	West	Fixed Costs (200K)
New York	211	232	240	300	6,000,000
Atlanta	232	212	230	280	5,500,000
Chicago	238	230	215	270	5,600,000
San Diego	299	280	270	225	6,100,000
Total Demand	110,000	180,000	120,000	100,000	