

Assignment 3

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```
library(lpSolve)
```

Setting up cost matrix

```
cost = matrix(c(622, 614, 630, 641, 645, 649), ncol = 3, byrow = TRUE)
cost
```

```
##      [,1] [,2] [,3]
## [1,]  622  614  630
## [2,]  641  645  649
```

Setting up Constraints

```
plant.signs = rep('<=', 2)
plantcap = (c(100, 120))
warehouse.signs = rep(">=", 3)
warehousedemand = c(80, 60, 70)
```

Assing object variable

```
lptrans = lp.transport(cost, 'min', plant.signs, plantcap, warehouse.signs, warehousedemand)
```

Seeing there is a solution

```
lptrans$status
```

```
## [1] 0
```

Displaying the units matrix

```
lptrans$solution
```

```
##      [,1] [,2] [,3]
## [1,]    0   60   40
## [2,]   80    0   30
```

Seeing the total Transportation cost

```
lptrans$objval
```

```
## [1] 132790
```

Dual & Economic Interpretation

Objective Function:

MAX: $-100y_1 - 120y_2 + 80y_3 + 60y_4 + 70y_5$

y_1 = total number of units produced by plant A

y_2 = total number of units produced by plant B

y_3 = total number of units produced by Warehouse 1

y_4 = total number of units produced by Warehouse 2

y_5 = total number of units produced by Warehouse 3

Constraints

$-y_1 + y_3 \leq 622$

The inverse of $y_1 + y_3$ must be less than or equal to the per unit cost of Warehouse 1 by plant A (622). (y_1 and y_3 stated above)

The same logic applied below following the variables stated above.

$-y_1 + y_4 \leq 614$

$-y_1 + y_5 \leq 630$

$-y_2 + y_3 \leq 641$

$-y_2 + y_4 \leq 645$

$-y_2 + y_5 \leq 649$

$y_1, y_2, y_3, y_4, y_5 \geq 0$