

Shipping cost (\$) per carton

| | | Country | | | |
|--------------|---|---------|----|----|--------------|
| | | 1 | 2 | 3 | Supply (box) |
| Factory | 1 | 20 | 24 | 24 | 60 |
| | 2 | 18 | 23 | 20 | 70 |
| | 3 | 20 | 25 | 26 | 50 |
| Demand (box) | | 40 | 65 | 75 | |

(a) x_{ij} means Factory i to Country j

$$z = 20x_{11} + 24x_{12} + 24x_{13} + 18x_{21} + 23x_{22} + 20x_{23} \\ + 20x_{31} + 25x_{32} + 26x_{33}$$

Subject to $x_{11} + x_{12} + x_{13} = 60$

$$x_{21} + x_{22} + x_{23} = 70$$

$$x_{31} + x_{32} + x_{33} = 50$$

$$x_{11} + x_{21} + x_{31} = 40$$

$$x_{12} + x_{22} + x_{32} = 65$$

$$x_{13} + x_{23} + x_{33} = 75$$

$$x_{ij} \geq 0$$

(b)

Shipping cost (\$) per carton

| | | Country | | | |
|--------------|---|---------|----|----|--------------|
| | | 1 | 2 | 3 | Supply (box) |
| Factory | 1 | 20 | 24 | 24 | 60 |
| | 2 | 18 | 23 | 20 | 70 |
| | 3 | 20 | 25 | 26 | 50 |
| Demand (box) | | 40 | 65 | 75 | |

$$3+3-1=5$$

| | | | |
|-----------------|-----------------|-----------------|-------|
| <u>20</u> | <u>24</u> 55 | <u>24</u> 5 | $u=0$ |
| <u>18</u> | <u>23</u> | <u>20</u> 70 | -4 |
| <u>20</u> 40 | <u>25</u> 10 | <u>26</u> | 1 |
| $U=19$ | 24 | 24 | |

$C_{ij} - u - v \text{ 均 } \geq 0$ optimal

$$Z = 24 \times 55 + 24 \times 5 + 20 \times 70 + 20 \times 40 + 25 \times 10 = 3890$$

(C)

Shipping cost (\$) per carton

Country

| | | 1 | 2 | 3 | Supply (box) |
|--------------|---|----|----|--------------|--------------|
| Factory | 1 | 20 | 24 | 24 | 60 |
| | 2 | 18 | 23 | 20 | 70 |
| | 3 | 20 | 25 | 26+ Δ | 50 |
| Demand (box) | | 40 | 65 | 75 | |

$$26 + \Delta - 24 - 1 \geq 0 \Rightarrow \Delta \geq -1$$