

YesterTech, a telecommunications equipment manufacturer, manufactures PDAs (P), wireless handsets (H), and blackberrys (B). They have a limited supply of common parts --- ethernet card (450 in inventory), antenna (250 in inventory), chipset (800 in inventory), battery/power supply (450 in inventory), LCD screen (600 in inventory) --- that these products use. A PDA requires an ethernet card, 2 chipsets, a power supply, and 2 LCD screens. A wireless handset requires an ethernet card, an antenna, 2 chipsets, a power supply, and an LCD screen. A blackberry requires a chipset and an LCD screen. The profit on PDAs is \$80, the profit on wireless handsets is \$60, and the profit on blackberrys is \$35. The following is a linear programming formulation of the problem.

Let

P = Number of PDAs produced

H = Number of wireless handsets produced

B = Number of blackberrys produced

We may write a model for this problem as follows.

Maximize $80P + 60H + 35B$

subject to:

(ethernet card constraint)	$P + H \leq 450$
(antenna constraint constraint)	$H \leq 250$
(chipset constraint)	$2P + 2H + B \leq 800$
(power supply constraint)	$P + H \leq 450$
(LCD screen constraint)	$2P + H + B \leq 600$
(non-negativity)	$P, H, B \geq 0$

Implement the above model in Solver (make sure to choose Simplex as the solving method and to choose the option "Make Unconstrained Variables non-negative" --- do not explicitly put in the non-negativity constraints in the model) and using the sensitivity report only (do not resolve the problem and explain your calculation using the sensitivity report) answer the following questions.

- Does the solution change if only 425 ethernet cards are available?
- Is it profitable to produce Blackberrys? If not, by how much should the profit margin on Blackberrys be increased to make it profitable to produce Blackberrys?
- Because of a change in production technology the profit margin on handsets has increased to \$70. Should the production plan of YesterTech change? What is their new profit?
- 50 chipsets were found to be defective, making the number of available chipsets 750. What will the profit be in this situation?
- Another supplier is willing to sell LCD screens to YesterTech. However, their prices for a LCD screen are \$20 higher than what YesterTech pays its regular supplier. Should YesterTech go ahead and purchase these electronic units? If yes, at most how many units should they purchase.