

Quantitative Management Modelling
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Assignment 1 – LP Model

Question 1:

1A. Decision Variables:

X1 = Number of collegiate Bags

X2 = Number of Mini Bags

1B. Objective functions:

Let the objective function be Z which represents the maximum profit = $Z = 32 X_1 + 24 X_2$

1C. Constraint:

Material constraint: Nylon fabric sheet in sq.ft = 5000

$$3 X_1 + 2 X_2 \leq 5000$$

Time constraint: Total working time in hours = 35 Employees works 40 hours per week

X1 needs 45 minutes of labour to generate profit of 32\$ and X2 needs 40 minutes to earn profit of 25\$

$$45 X_1 + 40 X_2 \leq 35 * 40 \text{ hrs} * 60 \text{ minutes} = 84000 = 1400 \text{ hrs}$$

Non-negative constraints:

$$0 \leq X_1 \leq 1000$$

$$0 \leq X_2 \leq 1200$$

1D: Mathematical Formulation for this LP Problem:

$$Z = 32X_1 + 24X_2$$

Subject to restrictions

$$32X_1 + 24X_2 \leq 5000 \text{ Sq.ft of material required per week}$$

$$X_1 \leq 1000 \text{ collegiates sold per week}$$

$$X_2 \leq 1200 \text{ Minis sold per week}$$

$$45X_1 + 40X_2 \leq 84000 \text{ hrs per week (35 labours * 40 hrs * 60 minutes)(in minutes) (or)}$$

$$\frac{3}{4}X_1 + \frac{2}{3}X_2 \leq 1400 \text{ HRS (35 Labours*40 hrs)[hrs] (45 minutes = } \frac{3}{4} \text{ hrs. \& 40 minutes = } \frac{2}{3} \text{hrs)}$$

$$X_1, X_2 \geq 0$$

Question 2:

Let X = Large, Y = Medium and Z = small

2A. Decision Variables:

Let X_1, Y_1, Z_1 be the quantities produced in L, M & S for plant 1

Let X_2, Y_2, Z_2 be the quantities produced in L, M & S for plant 2

Let X_3, Y_3, Z_3 be the quantities produced in L, M & S for plant 3

2B. Formulating LP model:

Let the objective function be Z which represents the maximum profit =

$$Z = 420(X_1 + X_2 + X_3) + 360(Y_1 + Y_2 + Y_3) + 300(Z_1 + Z_2 + Z_3)$$

Capacity Constraints:

$X_1 + Y_1 + Z_1 \leq 750$ (Excess production of 750 units of plant 1 every day)

$X_2 + Y_2 + Z_2 \leq 900$ (excess production of 900 units of plant 2 every day)

$X_3 + Y_3 + Z_3 \leq 450$ (excess production of 450 units of plant 3 every day)

Storage constraint:

$20X_1 + 15Y_1 + 12Z_1 \leq 13000$ (storage capacity of plant 1 13000 sq.ft)

$20X_2 + 15Y_2 + 12Z_2 \leq 12000$ (storage capacity of plant 2 12000 sq.ft)

$20X_3 + 15Y_3 + 12Z_3 \leq 5000$ (storage capacity of plant 3 5000 units sq.ft)

Sales constraints:

$L = X_1 + X_2 + X_3 \leq 900$ (900 Units needs to be sold plant 1 every day)

$M = Y_1 + Y_2 + Y_3 \leq 1200$ (1200 Units needs to be sold plant 2 every day)

$S = Z_1 + Z_2 + Z_3 \leq 750$ (750 Units needs to be sold plant 3 every day)

$X_i, Y_i, Z_i \geq 0$

Percentage Constraints:

As said that plant always consumes same % of their excess capacity to produce the new product, below are the equations:

$$(X_1 + Y_1 + Z_1)/750 = (X_2 + Y_2 + Z_2)/900 = (X_3 + Y_3 + Z_3)/450$$

It can be written as:

$$900(X_1 + Y_1 + Z_1) = 750(X_2 + Y_2 + Z_2)$$

$$450 (X_2+Y_2+Z_2) = 900 (X_3+Y_3+Z_3)$$

$$450 (X_1+Y_1+Z_1) = 750(X_3+Y_3+Z_3)$$

Non- Negative zero:

$$X_1,Y_1,Z_1, X_2,Y_2,Z_2,X_3,Y_3, Z_3 \geq 0$$