

(1)

### Assignment - 3

Q:-1

(a) Given,

Hence plant with cost \$1000 & not connected to city.

So, the model is →

	City			
	1	2	3	
Plant 1	600	700	400	25
	320	300	350	
Plant 2	23	17		40
	500	480	450	
Plant 3		25		30
	1000	1000		
Excess	13			
Plant 4				
	36	42	30	

(b) Optimal Sol<sup>n</sup> above cost = \$49,710

(c) Only city 1 uses excess electricity. So, excess cost for City 1 ⇒  $13 \times 1000 = \$13,000$

(d) For 10% power loss, assume units in lakhs.

So, 36 million kWh → 360 lakh kWh.

For 10% loss → Supply capacity will be = 225, 360, 270 & 225.

$$\text{Cost} = \frac{225 \times 40 + 135 \times 32 + 225 \times 30 + 145 \times 48 + 75 \times 45 + 100 \times 225}{10}$$

$$= \$55,305$$

(2)

	60	70	40	
Plant 1			225	225
Plant 2	32	30	35	
	135	225		360
Plant 3	50	48	45	
		195	75	270
Excess	100	100	0	225
	360	420	300	

→ Reduced supply.

Q. 2.

$$= \text{Total supply} = 150 + 200 + 250 = 600 \text{ Crates}$$

$$\text{Total demand} = 150 + 150 + 400 + 100 = 800 \text{ Crates}$$

$$\left[ \begin{array}{l} \text{Potential overtime supply} \\ \text{by each of orchard 1 \& 2} \end{array} \right] = 800 - 600 = 200 \text{ crates}$$

Using Excel Solver for LPP Simplex.

$$\text{Cost} = \$1150$$

Hence,

Orchard 1 used 200 crates for overtime & Orchard 2 produced None.

Q. 3.

Hence, supply & demand are expected in truck loads.

$$\text{So, converting supply/demand into truckload} = \frac{\text{Demand}}{\text{supply}}$$

$$= \frac{400}{18} = 22.2 \text{ or } 23 \text{ truck loads}$$

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$$\text{Cost} = \$25 \lambda (100 \times 6 + 140 \times 9 + 35 \times 8 + 70 \times 3 + 60 \times 9 + 90 \times 9)$$

$$= \$ 92,500$$

Then optimal schedule being  $\rightarrow$

- (1) 6 truckloads, 9 & 8 truckloads from center 1 to dealer 1, 4, 5
- (2) 3, 9 truckloads from center 2 to dealer 2 & 3
- (3) 9 truckloads to dealer 2 from center 3.

Q:- 4

In the given problem, cost increase by \$3 per month & supply > demand for 4 months.

So, there will be surplus.

So, the formulated Transportation problem is done by LPP solver.

Total cost = \$ 190,040.

Period	Capacity	Produced Amount	Delivery
1	500	500	400 for (period) 1 & 100 for 2
2	600	600	200 for 2, 220 for 3, 180 for 4
3	200	200	200 for 3
4	300	200	200 for 4

  

	500	600	200	300
	↓	↓	↓	↓
	↓	↓	↓	↓
	400	300	420	380
c:	\$100	\$140	\$120	\$150
b:	\$3	\$3	\$3	\$3

Solving using LPP solver  $\rightarrow$

Cost = \$ 190,040

Q:5 Max  $Z = x_1 + 3x_2$

Subject to

$$-x_1 + 3x_2 \leq 6$$

$$2x_1 + x_2 \leq 12$$

&  $x_1, x_2 \geq 0$ ;  $x_1, x_2$  non-negative integers.

The problem is converted to canonical form by adding slack, surplus & artificial variables as appropriate.

Iteration 1		$C_j$	1	3	0	0	
B	$C_B$	$X_B$	$x_1$	$x_2$	$s_1$	$s_2$	Min Ratio $\frac{X_B}{x_2}$
$s_1$	0	6	-1	(3)	1	0	$\frac{6}{3} = 2 \rightarrow$
$s_2$	0	12	2	1	0	1	$\frac{12}{1} = 12$
$Z = 0$		$Z_j$	0	0	0	0	
		$Z_j - C_j$	-1	-3	0	0	

Minimum ratio is 2 & its row index is 1.

So, the leaving basis variable is  $s_1$ .

$\therefore$  The pivot element is 3.

Entering =  $x_2$ , Departing =  $s_1$ , Key Element = 3.

$$R_1(\text{new}) = R_1(\text{old}) \div 3; \quad R_2(\text{new}) = R_2(\text{old}) - R_1(\text{new}).$$

Iteration 2		$C_j$	1	3	0	0	
B	$C_B$	$X_B$	$x_1$	$x_2$	$s_1$	$s_2$	Min Ratio $\frac{X_B}{x_1}$
$x_2$	3	2	-0.3333	1	0.3333	0	- - -
$s_2$	0	10	(2.3333)	0	-0.3333	1	$\frac{10}{2.3333} = 4.2857$
$Z = 6$		$Z_j$	-1	3	1	0	$\frac{2.3333}{1} \rightarrow$
		$Z_j - C_j$	-2	0	1	0	





Negative minimum  $Z_j - C_j$  is -2 & its column index is 1.

So, the entering variable is  $x_1$ .

Min ratio is 4.2857 & the row index is 2.

Pivot element = 2.3333.

Entering =  $x_1$ , Departing =  $S_2$ , Key Element = 2.3333.

$$R_2(\text{new}) = R_2(\text{old}) \div 2.3333$$

$$R_1(\text{new}) = R_1(\text{old}) - 0.3333 R_2(\text{new})$$

Iteration -3		$C_j$	1	3	0	0	
B	$C_B$	$X_B$	$x_1$	$x_2$	$S_1$	$S_2$	Min ratio
$x_2$	3	3.4286	0	1	0.2857	0.1429	
$x_1$	1	4.2857	1	0	-0.1429	0.4286	
$Z = 17.5714$		$Z_j$	1	3	0.7143	0.8571	
		$Z_j - C_j$	0	0	0.7143	0.8571	

Since all  $Z_j - C_j \geq 0$ .

Q:6.

The given problem is a dynamic scheduling problem & it can be converted to a transportation problem.

→ It is assumed that periods come in order 1, 2, 3, 4 & we cannot go back in periods as time moves forward.

→ Supply > demand, So surplus is sold at a profit of \$5 unit & \$8 unit for plant 1 & 2.

→ The converted transportation problem would be.

Using Simplex LP Solver in Excel, we get that units should be shipped in the below manner to minimize cost.

		Outlet 1			Outlet 2			Outlet 3			Surplus	Output (Supply)	
	Periods $\rightarrow$	1	2	3	1	2	3	1	2	3			
Plant 1	P <sub>1</sub>	7	10	13	9	12	15	12	15	18	-5	15	
	P <sub>2</sub>	$\infty$	7	10	$\infty$	9	12	$\infty$	12	15	-5	15	
	P <sub>3</sub>	$\infty$	$\infty$	7	$\infty$	$\infty$	9	$\infty$	$\infty$	12	-5	10	
Plant 2	P <sub>1</sub>		10	12	14	11	13	15	16	18	20	-8	25
	P <sub>2</sub>	$\infty$	$\infty$	10	12	$\infty$	11	13	$\infty$	16	18	-8	25
	P <sub>3</sub>	$\infty$	$\infty$	$\infty$	10	$\infty$	$\infty$	11	$\infty$	$\infty$	16	-8	20
Demand		10	10	10	5	10	15	20	10	10	10		
												10	(Demand Supply)

(Demand Supply)

$$[110 - 100 = 10]$$

→ Cost of Surplus is -ve because it is profit & we have to lower the cost.

→ The problem becomes transportation problem with producer & consumer.

Outlet 1 → Outlet 1 gets 10 units in period one from plant 2  
 " " 5 " from both plant 1 & 2 during period 2  
 Outlet 1 gets 10 units in period 3 from Plant 2.

Outlet 2 → Gets 5 units from plant 2 in period 1.  
 Gets 10 units from plant 2 " 2  
 " 10 " " " 3 — 3 &  
 5 unit from plant 3 in period 3 that were produced & stored in period 2.

Outlet 3 → Gets 15 units from plant 1 & 5 units from <sup>plant</sup> 2 in period 1.  
 → Gets 10 units from plant 1 in period 2.  
 → " 10 " " " 1 " 3



Surplus  $\rightarrow$  5 units surplus produced from plant 2 at period 1  
 used

Sold for \$8 profit per unit.

$\rightarrow$  5 units surplus produced from plant 2 at period 2 sold  
 for \$8 profit per unit.

$\therefore$  Total cost = \$1095

Q: 2

We are given Standard Transportation Problem with 2  
 plant & 4 outlets.

Here also, supply < Demand.

& it is given supply can be fed if plants work overtime  
 at cost of \$5 per unit for plant 1 & 7 per unit for plant 2.

The problem can be converted to transportation problem  
 with modified costs & added plants are plant regular  
 & plant overtime.

	Outlet 1	Outlet 2	Outlet 3	Outlet 4	Supply
Plant 1	53	50	43	44	200
Plant 2	50	47	42	44	400
Plant 1	58	55	48	49	40
(5 per unit) Overtime					
Plant 2	57	54	49	51	80
(7 per unit) Overtime					
Demand	250	200	150	75	

The minimum cost product & delivery schedule are calculated  
 using Excel LP Simplex Solver.

Then;

Outlet 1  $\rightarrow$  gets 200 unit from plant 2 & 50 from  
 plant 2 at overtime.

Outlet 2  $\rightarrow$  gets 200 unit from plant 2.

Outlet 3  $\rightarrow$  gets 125 unit from plant 1 & 25 unit from plant 1 at overtime.

Outlet 4  $\rightarrow$  gets 75 units from plant 1.

The total comes out to be \$ 32125.