

Transportation Problem

		Destination (warehouse)	
		D ₁ D ₂ ... D _n	Supply (a_{ij})
Source (factory)	S ₁	C ₁₁ C ₁₂ ... C _{1n}	a_1
	S ₂	C ₂₁ C ₂₂ ... C _{2n}	a_2
	:	:	:
	S _m	C _{m1} C _{m2} ... C _{mn}	a_m
	$\sum b_j = \sum a_i$		a_{m+1}
demand (b_j)		b_1 b_2 ... b_n	b_{n+1}

\boxed{TP}

Balanced
 $\text{demand} = \text{supply}$

- Unbalanced
1. supply < demand (dummy row)
 2. supply > demand (dummy col)

Balanced
demand = supply

Unbalanced
1. supply < demand (dummy row)
2. supply > demand (dummy col)

Solution of the Transportation Problem

1. Find an Initial Basic Feasible Solution

- (i) North-west corner Rule
- (ii) Row minima method
- (iii) Column minima method
- (iv) Lowest cost entry method (Matrix minima)
- (v) Vogel's Approximation method (VAM)
or Unit cost penalty method

2. Perform an optimality test and iterating towards optimal solution is obtained.

- (i) MODI method (modified distribution) or UV
- (ii) Stepping stone method.

(TP)

	w_1	w_2	w_3	w_4	capacity
f_1	19	30	50	10	7
f_2	70	30	40	60	9
f_3	40	8	70	20	18
Warehouse requirement	5	8	7	14	34

Solⁿ: Initial Basic feasible solution by NWCR

19(5)	30(2)	50	10
70	30(c)	40(3)	60
40	8	70	20

~~720~~ ✓

✓ 30

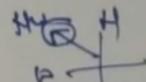
18

5
0 8
 8
 0 7
 4 14

f_3	40	8	70	20	10
Warehouse requirement	5	8	7	14	34

Solⁿ: Initial Basic feasible Solution by NWCR

19(5)	30(2)	50	10
70	30(6)	40(3)	60
40	8	70(4)	20(14)


 720
 930
 18140

$\frac{5}{0}$ $\frac{8}{0}$ $\frac{7}{0}$ $\frac{14}{0}$

$$\begin{aligned}
 \text{Total cost} &= 19 \times 5 + 30 \times 2 + 30 \times 6 + 40 \times 3 \\
 &\quad + 70 \times 4 + 20 \times 14 \\
 &= 1015
 \end{aligned}$$

Row Minima Method

	D ₁	D ₂	D ₃	D ₄	To	Supply
S ₁	6	3	5	4		22
From S ₂	5	9	2	7		15
S ₃	5	7	8	6		8
Demand	7	12	17	9		

Row Minima Method

	D ₁	D ₂	D ₃	D ₄	To	Supply
S ₁	6	3	5	4		22
From S ₂	5	9	2	7		15
S ₃	5	7	8	6		8
Demand	7	12	17	9	45	Balanced TP

Sol: Initial Basic feasible solution

	6	3 (12)	5	4	Supply
	5	9	2	7	22 10
	5	7	8	6	15
Demand	7	12	17	9	0

Row Minima Method

	D ₁	D ₂	D ₃	D ₄	TO	Supply
S ₁	6	3	5	4		22
From S ₂	5	9	2	7		15
S ₃	5	7	8	6		8
Demand	7	12	17	9	45	Balanced TP

Sol: Initial Basic feasible solution

	6	3(12)	5	4(9)	Supply
	22	10	1		
	15				
	8				
Demand	7	12	17	9	0

Row Minima Method

	D ₁	D ₂	D ₃	D ₄	Supply
S ₁	6	3	5	4	22
From S ₂	5	9	2	7	15
S ₃	5	7	8	6	8
Demand	7	12	17	9	45

Balanced TP

Sol: Initial Basic feasible solution

	6	3(12)	5(1)	4(9)	Supply
S ₁	22	10 X 0			
From S ₂	15				
S ₃	8				
Demand	7	12	17	9	0 16 0

	D ₁	D ₂	D ₃	D ₄	Supply
S ₁	6	3	5	4	22
From S ₂	5	9	2	7	15
S ₃	5	7	8	6	8
Demand	7	12	17	9	45

Balanced TP

Sol: Initial Basic feasible Solution

Supply

6	3(12)	5(1)	4(9)	22 $\cancel{10} \times 0$
5	9	2(15)	7	15 0
5(7)	7	8(1)	6	8 $\times 0$
Demand	7	12	17	9
	0	0	16	X 0

$$\begin{aligned}
 \text{Total cost} &= 3 \times 12 + 5 \times 1 + 4 \times 9 + 2 \times 15 \\
 &\quad + 5 \times 7 + 8 \times 1 \\
 &= 150.
 \end{aligned}$$

Column Minima Method

		To	Available
		10 13 6	10
From	16	7 13	12
	8	22 2	8
Requirement	6 11 13		

Column Minima Method

		To	Available
		10	10
		13	
From		10	
		16	12
		8	8
Requirement		6	11
		13	30

Balanced

Solⁿ: Initial Basic Feasible Solution

		Available
		10
		13
From		10
		16
		8 (6)
Requirement		6
		14
		0
		13

	10	13	6	10
From	16	7	13	12
	8	22	2	8

Requirement 6 11 13 30

Balanced

Solⁿ: Initial Basic Feasible Solution

	Available		
10	13	6(10)	10 0
16	7(11)	13(1)	12 X 0
8(6)	22	2(2)	8 2 0

Requirement $\frac{8}{0}$ $\frac{14}{0}$ $\frac{13}{X}$
 X X_0

$$\begin{aligned}
 \text{Total cost} &= 8 \times 6 + 7 \times 11 + 6 \times 10 + 13 \times 1 \\
 &\quad + 2 \times 2 \\
 &= 202
 \end{aligned}$$

Lowest-cost Entry method (Matrix Minima method)

	warehouse				capacity
	W ₁	W ₂	W ₃	W ₄	
F ₁	19	30	50	10	7
F ₂	70	30	40	60	9
F ₃	40	8	70	20	18
Requirement	5	7	14	34	



Lowest-cost Entry method (Matrix Minima method)

	warehouse				capacity
	W ₁	W ₂	W ₃	W ₄	
F ₁	19	30	50	10	7
Factory F ₂	70	30	40	60	9
F ₃	40	8	70	20	18

Requirement 5 8 7 14 34

Solⁿ: Initial Basic Feasible Solution

					capacity
	W ₁	W ₂	W ₃	W ₄	
	19	30	50	10	7
	70	30	40	60	9
	40	8 (0)	70	20	18

requirement 5 8 7 14 34

Lowest-cost Entry method (Matrix Minima method)

	warehouse				capacity
	W ₁	W ₂	W ₃	W ₄	
F ₁	19	30	50	10	7
Factory F ₂	70	30	40	60	9
F ₃	40	8	70	20	18

Requirement 5 8 7 14 [34]

Solⁿ: Initial Basic Feasible Solution

	19	30	50	10	capacity
	70	30	40	60	70
	40	8 (B)	70	20 (7)	9
requirement	5	8	7	14	18 10 3
	0			7	0

Lowest-cost Entry method (Matrix Minima method)

	warehouse				capacity
	W ₁	W ₂	W ₃	W ₄	
F ₁	19	30	50	10	7
Factory F ₂	70	30	40	60	9
F ₃	40	8	70	20	18
Requirement	5	8	7	14	34

Solⁿ: Initial Basic Feasible Solution

					capacity
	19	30	50	10(7)	70
	70	30	40(7)	60	92
	40(5)	8(8)	70	20(7)	18 10 30
requirement	5	8	7	14	
	2	0	7	0	

	w_1	w_2	w_3		
f_1	19	30	50	10	7
Factory F_2	70	30	40	60	9
f_3	40	8	70	20	18

Requirement 5 8 7 14 34

Solⁿ: Initial Basic Feasible Solution

	capacity			
19	30	50	10(7)	70
70(2)	30	40(7)	60	720
40(3)	8(8)	70	20(7)	181030

Requirement 5 8 7 14
 2 0 0 7
 0 0

$$\begin{aligned}
 \text{Total cost} &= 10 \times 7 + 70 \times 2 + 40 \times 7 \\
 &\quad + 40 \times 3 + 8 \times 8 + 20 \times 7 \\
 &= 814.
 \end{aligned}$$

Vogel's Approximation Method (Unit Cost Penalty Method)

	Warehouse				Capacity
	w ₁	w ₂	w ₃	w ₄	
f ₁	19	30	50	10	7
factory f ₂	70	30	40	60	9
F ₃	40	8	70	20	18
Requirement	5	8	7	14	

(Unit Cost Penalty Method)

	Warehouse				capacity	Step ① penalty = sec/min-min
	w_1	w_2	w_3	w_4		
f_1	19	30	50	10	7	
factory f_2	70	30	40	60	9	
F_3	40	8	70	20	18	
Requirement	5	8	7	14	34	

Solⁿ: Initial Basic Feasible Solution

					capacity	P.
	19	30	50	10	7	9
	70	30	40	60	9	10
	40	8	70	20	18	12
req.	5	8	7	14		

(Unit Cost Penalty Method)

	Warehouse				capacity	Step
	W ₁	W ₂	W ₃	W ₄		
factory F ₁	19	30	50	10	7	① penalty = sec. min - min
	70	30	40	60	9	
	40	8	70	20	18	② max penalty
Requirement				14	[34]	

Solⁿ: Initial Basic Feasible Solution

					capacity	P.
	19	30	50	10	7	9
	70	30	40	60	9	10
	40	8	70	20	18	12
req.	5	8	7	14		

P 21 22 10 10

(Unit Cost Penalty Method)

	Warehouse				capacity	Step
	W ₁	W ₂	W ₃	W ₄		
factory	f ₁	19	30	50	10	7
	f ₂	70	30	40	60	9
	f ₃	40	8	70	20	18
Requirement		5	8	7	14	34

① penalty
 $= \text{sec. min} - \text{min}$
 ② max penalty

Solⁿ: Initial Basic Feasible Solution

				capacity	P.
	19	30	50	10	7
	70	30	40	60	9
	40	8 (8)		20	12
req.	5	8	7	0	
P	21	(22)	10		

f_1	19	30	50	10	7
factory	70	30	40	60	9
f_3	40	8	70	20	18

① penalty
= sec. min - min
② max penalty

Requirement 5 8 7 14 [34]

Solⁿ: Initial Basic Feasible Solution

	capacity	P.
19(5)	30	50
70	30	40
40	8(8)	70
		20(10)
	18' 160	12 20 (50)

req. 5 8 7 14
0 0 4

P 21 22 10 10
21 - 10 10
- - 10 10

Solⁿ: Initial Basic Feasible Solution

	capacity				P.
19(5)	30	50	10(2)	7(2)0	9 9' 40 40 -
70	30	40(7)	60(2)	9 20	10 20 20 20 20
40	8(8)	70	20(10)	18 160	12 20 50 > -

req. 5' 8' 7' 14
 0 0 0 4' 2' 0

P	21	22	10	10'
(21)	-	-	10	10
-	-	-	10'	10
-	-	-	10	50
-	-	-	-	-

$$\begin{aligned}
 \text{Total cost} &= 19 \times 5 + 10 \times 2 + 40 \times 7 + 60 \times 2 + 8 \times 8 \\
 &\quad + 20 \times 10 \\
 &= 779.
 \end{aligned}$$

MODI (Modified Distribution) Method

Qn: Find an optimal solution

		warehouse				Availability
		w ₁	w ₂	w ₃	w ₄	
factory	f ₁	19	30	50	10	7
	f ₂	70	30	40	60	9
	f ₃	40	8	70	20	18
Requirement		5	8	7	14	

MODI (Modified Distribution) Method

Ques: Find an optimal solution

	Warehouse				Availability
	w_1	w_2	w_3	w_4	
f_1	19	30	50	10	7
Factory F_2	70	30	40	60	9
f_3	40	8	70	20	18
Requirement	5	8	7	14	34

Sol: ① Find the initial basic feasible solution (IBFS)
(by Vogel's Approximation method)

19(5)	30	50	10(2)
70	30	40(7)	60(2)
40	8(8)	70	20(10)

$$\begin{aligned}
 \text{Min. cost} &= 19 \times 5 + 10 \times 2 + 40 \times 7 + 60 \times 2 + 8 \times 8 + 20 \times 10 \\
 &= 779.
 \end{aligned}$$

	w_1	w_2	w_3	w_4	Availability
f_1	19	30	50	10	7
Factory F_2	70	30	40	60	9
f_3	40	8	70	20	18
Requirement	5	8	7	14	34

Sol ① Find the initial basic feasible solution (IBFS)
by Vogel's Approximation method)

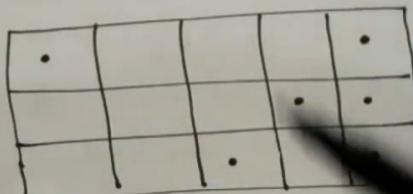
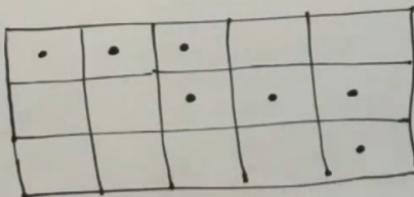
$M=3$	19(5)	30	50	10(2)
$N=4$	70	30	40(7)	60(2)
	40	8(8)	70	20(10)

$$\begin{aligned} \text{Min. cost} &= 19 \times 5 + 10 \times 2 + 40 \times 7 + 60 \times 2 + 8 \times 8 + 20 \times 10 \\ &= 779. \end{aligned}$$

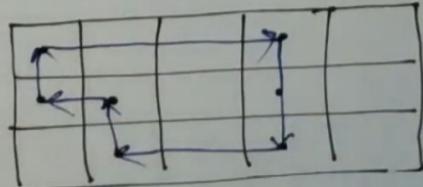
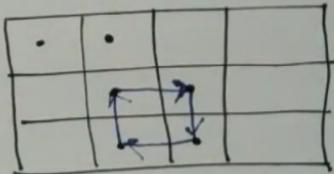
② check for Non-degeneracy
 IBFS has $m+n-1 = 6$ allocations in independent positions.

	w_1	w_2	w_3	w_4	Average delivery
f_1	19	30	50	10	7
factory f_2	70	30	40	60	9
f_3	40	8	70	20	18

Independent Positions



Non-Independent Positions (Dependent)



	w_1	w_2	w_3	w_4	Availability
f_1	19	30	50	10	7
Factory F_2	70	30	40	60	9
f_3	40	8	70	20	18

Requirement 5 8 7 14 [34]

Sol ① Find the initial basic feasible solution (IBFS)
(by Vogel's Approximation method)

$$\begin{matrix} n=3 \\ n=4 \end{matrix}$$

19(5)	30	50	10(2)
70	30	40(7)	60(2)
40	8(8)	70	20(10)

.	.	.
.	.	.
.	.	.

$$\begin{aligned} \text{Min. cost} &= 19 \times 5 + 10 \times 2 + 40 \times 7 + 60 \times 2 + 8 \times 8 + 20 \times 10 \\ &= 779. \end{aligned}$$

② check for Non-degeneracy

IBFS has $m+n-1 = 6$ allocations in independent positions.

f_1	19	30	50	10	7
Factory F_2	70	30	40	60	9
f_3	40	8	70	20	18
Requirement	5	8	7	14	34

Sol: ① Find the initial basic feasible solution (IBFS)
by Vogel's Approximation method)

$$\begin{matrix} m=3 \\ n=4 \end{matrix}$$

19(5)	30	50	10(2)
70	30	40(7)	60(2)
40	8(8)	70	20(10)

.	.	.
.	.	.
.	.	.

$$\begin{aligned} \text{Min. cost} &= 19 \times 5 + 10 \times 2 + 40 \times 7 + 60 \times 2 + 8 \times 8 + 20 \times 10 \\ &= 779. \end{aligned}$$

② check for Non-degeneracy

IBFS has $m+n-1 = 6$ allocations in independent positions. Hence optimality test is satisfied.

is satisfied.

③ Calculation of U_i and V_j : $(U_i + V_j = C_{ij})$
(occupied cells)

19			10
		40	60
	8		20

$v_1 \quad v_2 \quad v_3 \quad v_4$

$$U_1 = 0$$

$$U_2$$

$$U_3$$

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independent positions. Hence optimality is satisfied.

③ Calculation of U_i and V_j : $U_i + V_j = C_{ij}$
(occupied cells)

19			10	$U_1 = 0$
		40	60	U_2
	8		20	U_3
	v_1	v_2	v_3	v_4
19				

$$U_1 + V_1 = C_{11}$$

$$\Rightarrow 0 + V_1 = 19$$

$$V_1 = 19$$

independent positions. Hence optimality condition is satisfied.

③ Calculation of u_i and v_j : $u_i + v_j = c_{ij}$
(occupied cells)

19			10	$u_1 = 0$
		40	60	$u_2 = 50$
	8		20	u_3

$v_1 \quad v_2 \quad v_3 \quad v_4$

19 10

$$u_1 + v_1 = c_{11} \quad u_1 + v_4 = c_{14} \quad u_2 + v_4 = c_{24}$$
$$\Rightarrow 0 + v_1 = 19 \quad 0 + v_4 = 10 \quad u_2 + 10 = 60$$
$$\boxed{v_1 = 19} \quad v_4 = 10 \quad u_2 = 50$$

independent positions. Hence optimality is satisfied.

③ Calculation of U_i and V_j : $U_i + V_j = C_{ij}$
(occupied cells)

19			10
		40	60
	8		20

$v_1 \quad v_2 \quad v_3 \quad v_4$

19 -2 -10 10

$$\begin{array}{l|l|l} U_3 + V_4 = C_{34} & U_3 + V_2 = C_{32} & U_2 + V_3 = C_{23} \\ \Rightarrow U_3 + 10 = 20 & 10 + V_2 = 8 & 50 + V_3 = 40 \\ \Rightarrow U_3 = 10 & V_2 = -2 & V_3 = -10 \end{array}$$

Sol ① Find the initial basic feasible solution (IBFS)
(by Vogel's Approximation method)

$$\begin{matrix} n=3 \\ n=4 \end{matrix}$$

19(5)	30	50	10(2)
70	30	40(7)	60(2)
40	8(8)	70	20(10)

•	•	•
•	•	•
•	•	•

④ calculation of cost differences for unoccupied cells $|d_{ij} = c_{ij} - (u_i + v_j)|$

$$c_{ij}'$$

•	30	50	•
70	30	•	•
40	•	70	•

$$u_i + v_j$$

•	-2	-10	•
69	48	•	•
29	•	0	•

$$u_i$$

$$0$$

$$50$$

$$10$$

$$v_j' \rightarrow 19 \quad -2 \quad -10 \quad 10$$

	1	2	3	4	
c_{ij}'					
•	30	50	•		
70	30	•	•		
40	•	70	•		
$u_i + v_j'$					
•	-2	-10	•	0	0
69	48	•	•	50	
29	•	0	•	10	
$v_j' \rightarrow$	19	-2	-10	10	

d_{ij}''	•	32	60	•	
1	-18	•	•		
11	•	70	•		

⑤ optimality test

$$d_{ij} < 0 \text{ i.e } d_{22} = -18$$

so x_{22} is entering the basis

-++1.

$$V_j \rightarrow 19 -2 -10 10$$

$$d_{ij}^{ii} =$$

.	32	60	.
1	-18	.	.
11	.	70	.

⑤ optimality test

$$d_{ij} < 0 \text{ i.e } d_{22} = -18$$

so x_{22} is entering the basis

⑥ construction of loop and allocation of unknown quantity θ

.5			2.
	+θ	7.	2.
	.8.		10.

-++1.

$$V_j \rightarrow 19 -2 -10 10$$

$$d_{ij} = \begin{array}{|c|c|c|c|} \hline & 32 & 60 & \cdot \\ \hline 1 & -18 & \cdot & \cdot \\ \hline 11 & \cdot & 70 & \cdot \\ \hline \end{array}$$

⑤ optimality test

$$d_{ij} < 0 \text{ i.e } d_{22} = -18$$

so x_{22} is entering the basis

⑥ construction of loop and allocation of unknown quantity θ

$$\begin{array}{|c|c|c|c|} \hline .5 & & 2. & \\ \hline & +\theta & 7. & 2-\theta \\ \hline & 8-\theta & & 10+\theta \\ \hline \end{array}$$

so x_{22} is empty

- ② construction of loop and allocation of unknown quantity θ

.5			2.
	$+\theta$	7	$2-\theta$
	$8-\theta$	$10+\theta$	

$$\min[8-\theta, 2-\theta] = 0$$

$$8-\theta = 0 \quad \begin{cases} 2-\theta = 0 \\ \theta = 2 \end{cases}$$
$$\Rightarrow \theta = 8$$

$n=3$
 $n=4$

19(5)	30	50	10(2)
70	30	40(7)	60(2)
40	8(8)	70	20(10)

.	.	.	.
.	.	.	.
.	.	.	.

$$\text{Min. cost} = 19 \times 5 + 10 \times 2 + 40 \times 7 + 60 \times 2 + 8 \times 8 + 20 \times 10 \\ = 779.$$

.5			2.
+θ	7	2-θ	
-8-θ		10+θ	

$$\min[8-\theta, 2-\theta] = 0 \\ 8-\theta = 0 \quad | \quad 2-\theta = 0 \\ \Rightarrow \theta = 8 \quad | \quad \theta = 2$$

19(5)			10(2)
	30(2)	40(7)	
	8(6)		20(12)

$n=3$
 $n=4$

19(5)	30	50	10(2)
70	30	40(7)	60(2)
40	8(8)	70	20(10)

.	.	.	.
.	.	.	.
.	.	.	.

$$\text{Min. cost} = 19 \times 5 + 10 \times 2 + 40 \times 7 + 60 \times 2 + 8 \times 8 + 20 \times 10 \\ = 779.$$

19(5)			10(2)
	30(2)	40(7)	
	8(6)		20(12)

$$\text{min cost} = 19 \times 5 + 10 \times 2 + 30 \times 2 + 40 \times 7 + 8 \times 6 + 20 \times 12 \\ = 743.$$

19(5)			10(2)
	30(2)	40(3)	
	8(6)		20(12)

$$m+n-1=6$$

$$\begin{aligned} \text{min cost} &= 19 \times 5 + 10 \times 2 + 30 \times 2 + 40 \times 7 + 8 \times 6 + 20 \times 12 \\ &= 743. \end{aligned}$$

⊕ Improved Solution

19			10	u_1
	30	40		u_2
	8		20	u_3

$v_1 \quad v_2 \quad v_3 \quad v_4$

19(5)			10(2)
	30(2)	40(7)	
	8(6)		20(12)

$$m+n-1 = 6$$

$$\begin{aligned} \text{Min cost} &= 19 \times 5 + 10 \times 2 + 30 \times 2 + 40 \times 7 + 8 \times 6 + 20 \times 12 \\ &= 743. \end{aligned}$$

⊕ Improved solution

$$u_i + v_j = c_{ij}$$

19			10	u_1
	30	40		u_2
	8		20	$u_3 = 0$

$v_1 \quad v_2 \quad v_3 \quad v_4$

19(5)			10(2)
	30(2)	40(7)	
	8(6)		20(12)

$$m+n-1 = 6$$

$$\begin{aligned} \text{min cost} &= 19 \times 5 + 10 \times 2 + 30 \times 2 + 40 \times 7 + 8 \times 6 + 20 \times 12 \\ &= 743. \end{aligned}$$

⊕ Improved Solution

19			10	u_1
	30	40		u_2
	8		20	$u_3 = 0$

v_1	v_2	v_3	v_4
8			20

$$u_i + v_j = c_{ij}$$

$$\begin{cases} u_3 + v_2 = c_{32} \\ 0 + v_2 = 8 \\ u_3 + v_4 = c_{34} \\ 0 + v_4 = 20 \\ u_2 + v_2 = c_{22} \\ u_2 + 8 = 30 \\ u_2 = 22 \end{cases}$$

MIN COST = 1110

$$= 743.$$

⊕ Improved Solution

$$u_i + v_j = c_{ij}$$

19			10
	30	40	
	8		20

$$\begin{matrix} v_1 & v_2 & v_3 & v_4 \\ 29 & 8 & 18 & 20 \end{matrix}$$

$$u_1 = -10$$

$$u_2 = 22$$

$$u_3 = 0$$

$$u_4$$

$$v_3 + v_2 = c_{32}$$

$$0 + v_2 = 8$$

$$u_3 + v_4 = c_{34}$$

$$0 + v_4 = 20$$

$$v_2 + v_2 = c_{22}$$

$$u_2 + 8 = 30$$

$$\begin{array}{l} u_2 + v_3 = c_{23} \\ \Rightarrow 22 + v_3 = 40 \\ \Rightarrow v_3 = 18 \end{array} \quad \begin{array}{l} u_1 + v_4 = c_{14} \\ u_1 + 20 = 10 \\ u_1 = -10 \end{array} \quad \begin{array}{l} u_2 = 22 \\ u_i + v_1 = c_{11} \\ -10 + v_1 = 19 \\ v_1 = 29 \end{array}$$

di

$$d_{ij} = c_{ij} - (u_i + v_j)$$

$$c_{ij}$$

.	30	50	.
70	.	.	60
40	.	70	.

$$u_i + v_j$$

.	-2	8	.	-10
51	.	.	42	22
29	.	18	.	0

29 8 18 20

$$d_{ij} =$$

.	32	42	.
19	.	.	18
11	.	52	.

$$d_{ij} = c_{ij} - (u_i + v_j)$$

c_{ij}

.	30	50	.
70	.	.	60
40	.	70	.

$u_i + v_j$

.	-2	8	.	-10
51	.	.	42	22
29	.	18	.	0
29	8	18	20	

.	32	42	.
19	.	.	18
11	.	52	.

$\therefore d_{ij} \geq 0$ an optimal solution is obtained.

with minimum cost Rs. 743

40	*	70	*		29	*	0	*	10
					v _j → 19 -2 -10 10				

$$d_{ij}^{ii} = \begin{array}{|c|c|c|c|c|} \hline & 32 & 60 & * & \\ \hline 1 & -18 & * & * & \\ \hline 11 & * & 70 & * & \\ \hline \end{array}$$

most negative value

⑤ optimality test

$$d_{ij} < 0 \text{ i.e } d_{22} = -18$$

so x_{22} is entering the basis

⑥ construction of loop and allocation of unknown quantity θ

.5			2.
	+θ	7	2-θ
	-8-θ		10+θ

$$\min[8-\theta, 2-\theta] = 0$$

$$8-\theta=0 \quad | \quad 2-\theta=0 \\ \Rightarrow \theta=8 \quad | \quad \theta=2$$

Stepping - Stone method-

Ques: Find an optimal solution

	1	2	3	Supply
1	2	7	4	5
2	3	3	1	8
3	5	4	7	7
4	1	6	2	14

Demand 7 9 18 0

Sol: (1) Find an initial basic feasible solution (IBFS) by Vogel's Approximation method.

	1	2	3	Supply
2	7	4	5	5
3	3	1	8	8
5	4	7	7	7
1	6	2	14	14

Demand 7 9 18

3	5	4	7	7
4	1	6	2	14

Demand 7 9 18 34

Sol": (1) find an initial basic feasible solution (IBFS)
by Vogel's Approximation method.

Supply	Penalty
2(3)	7(2)
3	3
5	4(7)
1(4)	6
	2 2 5 ⑤
	② - - -
	1 1 1 1
	1 1 ⑤ -

demand 7 9 18
50 20 100

penalty	x	x	x
	x	2	②
	x	2	-
	3	3	-

Min. Transportation cost

$$\begin{aligned}
 &= 2 \times 3 + 7 \times 2 + 1 \times 8 + 4 \times 7 + 1 \times 4 \\
 &\quad + 2 \times 10 \\
 &= 80
 \end{aligned}$$

Demand 7 9 18 (34)

Solⁿ: (1) Find an initial basic feasible solution (IBFS) by Vogel's Approximation method.

Supply	Penalty		
2(3)	7(2)	4	5/20 2 2 5 (5)
3	3	1(8)	8/0 (2) + + -
5	4(2)	7	7/0 + + + 1
1(4)	6	2(10)	14/40 1 1 (5) -

demand 7 9 18
50 20 100

penalty	x	x	x
	x	2	(2)
	x	2	-
	3	3	-

.	.	
	.	
-	1	.

Min. Transportation cost

$$= 2 \times 3 + 7 \times 2 + 1 \times 8 + 4 \times 7 + 1 \times 4 \\ + 2 \times 10$$

$$= 80$$

② Check for Non-degeneracy
 $m+n-1 = 6$ allocation in Independent position.

③ Apply Stepping stone method
cell evaluation / net change

2 (3)	7 (2)	4
3	3	1 (8)
5	4 (7)	7
1 (4)	6	2 (10)

$$c(1,3) =$$

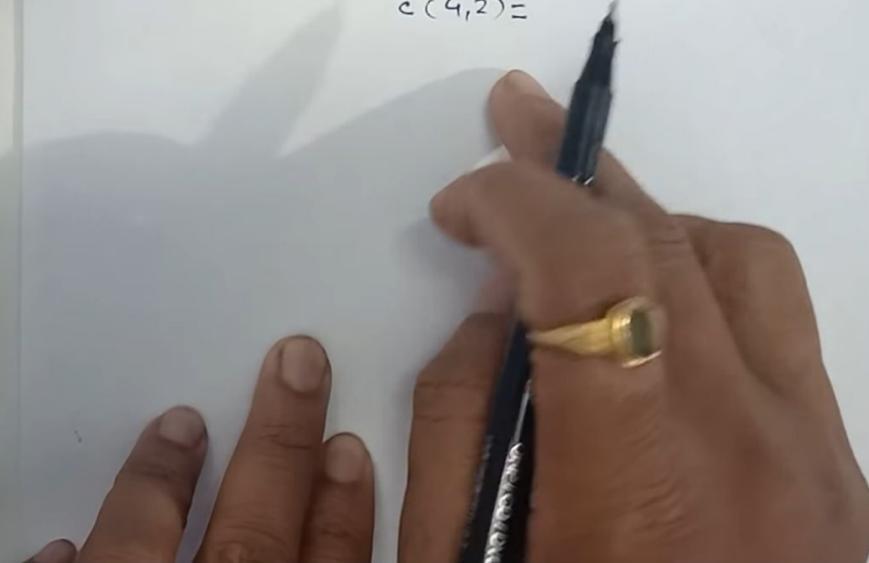
$$c(2,1) =$$

$$c(2,2) =$$

$$c(3,1) =$$

$$c(3,3) =$$

$$c(4,2) =$$



③ Apply Stepping stone method
cell evaluation / net change

2 (3)	7 (2)	4
3	3	1 (8)
5	4 (7)	7
1 (4)	6	2 (10)

$$c(1,3) =$$

$$c(2,1) =$$

$$c(2,2) =$$

$$c(3,1) =$$

$$c(3,3) =$$

$$c(4,2) =$$

③ Apply Stepping stone method

cell evaluation / net change

2 (3)	7 (2)	4 (+)	
3	3	1 (8)	
5	4 (7)	7	
1 (+)	6	2 (-)	

$$c(1,3) =$$

$$c(2,1) =$$

$$c(2,2) =$$

$$c(3,1) =$$

$$c(3,3) =$$

$$c(4,2) =$$

③ Apply Stepping stone method
cell evaluation / net change

2 (3)	7 (2)	4
3 +	3	1 (8)
5	4 (7)	7
1 (4)	6	2 + (10)

$$c(1,3) = +4 - 2 + 1 - 2 = 1$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) =$$

$$c(3,1) =$$

$$c(3,2) =$$

$$c(4,2) =$$

③ Apply Stepping stone method

cell evaluation / net change

2(3)	7(2)	4
3	3	1(8)
5	4(7)	7
1(4)	6	2(10)

$$c(1,3) = +4 - 2 + 1 - 2 = 1$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) = +3 - 1 + 2 - 1 + 2 - 7 = -2$$

$$c(3,1) =$$

$$c(3,2) =$$

$$c(4,2) =$$

③ Apply Stepping stone method
cell evaluation / net change

2 (3)	7 (2)	4
3	3	1 (8)
5	4 (7)	7
1 (4)	6	2 (10)

$$c(1,3) = +4 - 2 + 1 - 2 = 1$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) = +3 - 1 + 2 - 1 + 2 - 7 = -2$$

$$c(3,1) = +5 - 2 + 7 - 4 = 6$$

$$c(3,3) =$$

$$c(4,2) =$$

③ Apply Stepping stone method
cell evaluation / net change

2 (3)	7 (2)	4
3	3	1 (8)
5	4 (7)	7
1 (4)	6	2 (10)

$$c(1,3) = +4 - 2 + 1 - 2 = 1$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) = +3 - 1 + 2 - 1 + 2 - 7 = -2$$

$$c(3,1) = +5 - 2 + 7 - 4 = 6$$

$$c(3,3) = +7 - 2 + 1 - 2 + 7 - 4 = 7$$

$$c(4,2) = +6 - 1 + 2 - 7 = 0$$

③ Apply Stepping stone method

cell evaluation / net change

2(3)	7(2)	4
3	3	1(8)
5	4(7)	7
1(4)	6	2(10)

$$c(1,3) = +4 - 2 + 1 - 2 = 1 \quad \begin{array}{l} \text{→ -ve} \\ \text{→ +ve, 0} \end{array}$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) = +3 - 1 + 2 - 1 + 2 - 7 =$$

$$c(3,1) = +5 - 2 + 7 - 4 = 6$$

$$c(3,2) = +7 - 2 + 1 - 2 + 7 - 4 =$$

$$c(4,2) = +6 - 1 + 2 - 7 = 0$$

③ Apply Stepping stone method
cell evaluation / net change

2(3)	7(2)	4
3	3	1(8)
5	4(7)	7
1(9)	6	2(10)

$$c(1,3) = +4 - 2 + 1 - 2 = 1 \quad \begin{matrix} \nearrow -ve \\ \nwarrow +ve, 0 \end{matrix}$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) = +3 - 1 + 2 - 1 + 2 - 7 = -2 \quad \checkmark$$

$$c(3,1) = +5 - 2 + 7 - 4 = 6$$

$$c(3,3) = +7 - 2 + 1 - 2 + 7 - 4 = 7$$

$$c(4,2) = +6 - 1 + 2 - 7 = 0$$

(-2, -8, -4)
lowest -ve

2	7	4
3	3	1
5	4	7
1	6	2

③ Apply Stepping stone method (unoccupied)
cell evaluation / net change

2(3)	7(2)	4
3	3(5)	1(8)
5	4(7)	7
1(4)	6	2(10)

(-2) -8, -4
lowest -ve

$$c(1,3) = +4 - 2 + 1 - 2 = 1 \quad \begin{matrix} \nearrow -ve \\ \searrow +ve, 0 \end{matrix}$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) = +3 - 1 + 2 - 1 + 2 - 7 = -2 \checkmark$$

$$c(3,1) = +5 - 2 + 7 - 4 = 6$$

$$c(3,2) = +7 - 2 + 1 - 2 + 7 - 4 = 7$$

$$c(4,2) = +6 - 1 + 2 - 7 = 0$$

2(5)	7	4
3	3(2)	1(6)
5	4(7)	7
1(2)	6	2(12)

③ Apply Stepping stone method (unoccupied)
cell evaluation / net change

2(3)	7(2)	4
3	3(5)	7(8)
5	4(7)	7
1(4)	6	2(10)

-2 -8 -4
lowest -ve

$$c(1,3) = +4 - 2 + 1 - 2 = 1 \quad \begin{matrix} \text{-ve} \\ \text{+ve, 0} \end{matrix}$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) = +3 - 1 + 2 - 1 + 2 - 7 = -2 \quad \checkmark$$

$$c(3,1) = +5 - 2 + 7 - 4 = 6$$

$$c(3,2) = +7 - 2 + 1 - 2 + 7 - 4 = 7$$

$$c(4,2) = +6 - 1 + 2 - 7 = 0$$

2(5)	7	4
3	3(2)	1(6)
5	4(7)	7
1(2)	6	2(12)

$$\begin{aligned} \text{Min cost} &= 2 \times 5 + 3 \times 2 + 1 \times 6 \\ &\quad + 4 \times 7 + 1 \times 2 + 2 \times 12 \\ &= 76 \end{aligned}$$

③ Apply Stepping stone method (unoccupied)
cell evaluation / net change

2(3)	7(2)	4
3	3	1(8)
5	4(7)	7
1(4)	6	2(10)

(-2) -8 -4
lowest -ve

$$c(1,3) = +4-2+1-2 = 1 \quad \begin{matrix} \text{-ve} \\ \text{+ve, 0} \end{matrix}$$

$$c(2,1) = +3-1+2-1 = 3$$

$$c(2,2) = +3-1+2-1+2-7 = -2 \checkmark$$

$$c(3,1) = +5-2+7-4 = 6$$

$$c(3,2) = +7-2+1-2+7-4 = 7$$

$$c(4,2) = +6-1+2-7 = 0$$

2(5)	7.	4
3.	3(2)	1(6)
5	4(7)	7
1(2)	6	2(12)

$$\begin{aligned} \text{Min cost} &= 2 \times 5 + 3 \times 2 + 1 \times 6 \\ &\quad + 4 \times 7 + 1 \times 2 + 2 \times 12 \\ &= 76 \end{aligned}$$

$$c(1,2) = +7-3+1-2+1-2 = 2$$

$$c(1,3) = +4-2+1-2 = 1$$

$$c(2,1) = +3-1+2-1 = 3$$

$$c(3,1) = +5-4+3-1+2-1 = 4$$

$$c(3,2) = +7-1+3-4 = 5$$

$$c(4,2) = +6-2+1-3 = 2$$

MODI Method Transportation problem | Modified Distribution | Operations Research Hindi (Lecture 29)

(U-V) MODI Method

*	30	50	*
20	30	*	*
40	*	70	*

*	-2	-10	*
69	48	*	*
29	*	0	*

$$V_1 \rightarrow 19 - 2 - 10 = 10$$

*	32	60	*
1	-18	*	*
11	*	70	*



2(3)	7(2)	4
3	3	1(8)
5	4(7)	7
1(4)	6	2(10)

$$\begin{matrix} (-2) & -8 & -4 \\ \text{lowest } \rightarrow & & \end{matrix}$$

$$c(1,3) = +4 - 2 + 1 - 2 = 1 \quad \boxed{\text{+ve, 0}}$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(2,2) = +3 - 1 + 2 - 1 + 2 - 7 = -2 \quad \checkmark$$

$$c(3,1) = +5 - 2 + 7 - 4 = 6$$

$$c(3,3) = +7 - 2 + 1 - 2 + 7 - 4 = 7$$

$$c(4,2) = +6 - 1 + 2 - 7 = 0$$



2(5)	7.	4
3.	3(2)	1(6)
5	4(7)	7
1(2)	6	2(12)

$$\begin{aligned} \text{Min cost} &= 2 \times 5 + 3 \times 2 + 1 \times 6 \\ &\quad + 4 \times 7 + 1 \times 2 + 2 \times 12 \\ &= 76 \end{aligned}$$

$$c(1,2) = +7 - 3 + 1 - 2 + 1 - 2 = 2$$

$$c(1,3) = +4 - 2 + 1 - 2 = 1$$

$$c(2,1) = +3 - 1 + 2 - 1 = 3$$

$$c(3,1) = +5 - 4 + 3 - 1 + 2 - 1 = 4$$

$$c(3,3) = +7 - 1 + 3 - 4 = 5$$

$$c(4,2) = +6 - 2 + 1 - 3 = 2$$

\therefore all cell evaluations are +ve
therefore optimal solⁿ is obtained.

$$\underline{\text{Min cost} = 76.}$$

Vogel's Approximation Method | Initial Basic Feasible Solution transportation problem | Hindi (Lec 28)

Vogel's Approximation Method

Operation Research
By: - Sandeep Kumar Gour

Degeneracy in Transportation Problem

IBFS

$m+n-1 = \text{no. of allocation.}$] Non-degeneracy

$m+n-1 > \text{no. of allocation}$] degeneracy

- ① Degeneracy in the initial solution.
- ② Degeneracy at any intermediate stage.

- ① Resolution of degeneracy during the initial stage

Available

8	7	3	60
3	8	9	70
11	3	5	80

Requirement 50 80 80 [210]

lowest cost entry

Degeneracy in Transportation Problems

IBFS

$m+n-1 = \text{no. of allocation}$] Non-degeneracy

$m+n-1 > \text{no. of allocation}$] degeneracy

- ① Degeneracy in the initial solution.
- ② Degeneracy at any intermediate stage.

- ① Resolution of degeneracy during the initial stage

			Available
			600
			30200
8	7	3(60)	
3(50)	8	9(20)	
11	3(80)	5	800

Requirement 50 80 80 [210]
 0 0 20 0

lowest cost entry

$$m+n-1 = 5 > 4 \quad [\text{degeneracy}]$$

① Degeneracy in the initial solution.

② Degeneracy at any intermediate stage.

① Resolution of degeneracy during the initial stage

			Available
			Requirement
Requirement	50	80	80
8	7	3(60)	800
3(50)	8	9(20)	70200
11	3(80)	5	800

$$m+n-1 = 5 > 4 \quad [\text{degeneracy}]$$

8	7	3 (60)
3(50)	8	9 (20)
11	3(80)	5 (0)

1. Min cost
(unoccupied cells)

2. independent position

- ① Degeneracy in the initial solution.
- ② Degeneracy at any intermediate stage.

- ① Resolution of degeneracy during the initial stage

Available

			600
			70 20 0
			80 0
			210
Requirement	50	80	80
	0	0	20
			0

lowest cost entry

$$m+n-1 = 5 > 4 \quad [\text{degeneracy}]$$

8	7	3 (60)	60	1. Min cost (unoccupied cells)
3(50)	8	9 (20)	70	2. independent position
11	3(80)	5 (Δ)	80 + Δ ≈ 80	$\Delta = \text{zero}$
Req.	50	80	80 + $\Delta = 80$	

$$\begin{aligned} \text{min cost} &= 3 \times 60 + 3 \times 50 + 9 \times 20 + 3 \times 80 + 5 \times 0 \\ &= 750 \end{aligned}$$

② Resolution of degeneracy during the solution stage

					Available
Required	30	30	15	20	5
4	3	1	2	6	40
5	2	3	4	5	30
3	5	6	3	2	20
2	4	4	5	3	10
					100

4	5	1	2	6	40
5	2	3	4	5	30
3	5	6	3	2	20
2	4	4	5	3	10
		30	30	15	20
				5	100

Required

Sol: ① IBFS by North-West Corner Rule

4 (30)	3 (10)	1	2	6	
5	2 (20)	3 (10)	4	5	
3	5	6 (5)	3 (15)	2	
2	4	4	5 (5)	3 (5)	
					Min Cost = 335

② Check for non-degeneracy

IBFS has $m+n-1 = 8$ allocations in independent positions.

③ Calculation of U_i and V_j : $U_i + V_j = C_{ij}$
(for occupied cells)

4 .	3 .				$U_1 = 0$
	2 .	3 .			$U_2 = -1$
		6 .	3 .		$U_3 = 2$
			5 .	3 .	$U_4 = 4$

$$V_1 = 4 \quad V_2 = 3 \quad V_3 = 4 \quad V_4 = 1 \quad V_5 = -1$$

④ Calculation of cost differences for unoccupied cells

$$d_{ij} = c_{ij} - (u_i + v_j)$$

c _{ij}					u _i + v _j					
.	.	1	2	6	.	4	1	-1	0	
5	.	.	4	5	3	.	0	-2	-1	
3	5	.	.	2	6	5	.	1	2	
2	4	4	.	.	8	7	8	.	4	
					4	3	4	1	-1	

.	.	-3	1	7	
2	.	.	4	7	
-3	0	.	.	1	
-6	-3	-4	.	.	

$$d_{ij} = c_{ij} - (u_i + v_j)$$

c_{ij}	-	$u_i + v_j$	
.	.	1	2
5	.	4	5
3	5	.	2
2	4	4	.
		4	3
		4	1
		-1	

.	.	-3	1	7
2	.	.	4	7
-3	0	.	.	1
-6	-3	-4	.	.

⑤ optimality test $d_{ij} < 0$

$4(30^\theta)$	$3(10^\theta)$			
	$2(20^\theta)$	$3(10^\theta)$		
		$6(5^\theta)$	$3(15^\theta)$	
$+0$			$5(5^\theta)$	$3(5)$

min

$$[30-\theta, 20-\theta, \\ 5-\theta]$$

$$\theta = 30, 20, 5$$

$$[\theta = 5]$$

$$\begin{array}{|c|c|c|c|c|} \hline
 5 & \cdot & \cdot & 4 & 5 \\ \hline
 3 & 5 & \cdot & \cdot & 2 \\ \hline
 2 & 4 & 4 & \cdot & \cdot \\ \hline
 \end{array}
 -
 \begin{array}{|c|c|c|c|c|} \hline
 3 & \cdot & \cdot & 0 & -2 \\ \hline
 6 & 5 & \cdot & \cdot & 1 \\ \hline
 8 & 7 & 8 & \cdot & \cdot \\ \hline
 4 & 3 & 4 & 1 & -1 \\ \hline
 \end{array}
 =
 \begin{array}{|c|c|c|c|c|} \hline
 \end{array}$$

$$d_{ij} = \begin{array}{|c|c|c|c|c|} \hline \cdot & \cdot & -3 & 1 & 7 \\ \hline 2 & \cdot & \cdot & 4 & 7 \\ \hline -3 & 0 & \cdot & \cdot & 1 \\ \hline -6 & -3 & -4 & \cdot & \cdot \\ \hline \end{array}$$

⑤ optimality test $d_{ij} < 0$

$$\begin{array}{|c|c|c|c|c|} \hline
 4(3\bar{0}) & 3(1\bar{0}) & & & \\ \hline
 & 2(\bar{20}) & 3(1\bar{0}) & & \\ \hline
 & & 6(5) & 3(1\bar{5}) & \\ \hline
 +\theta & & & 5(\bar{5}) & 3(5) \\ \hline
 \end{array}$$

\min
 $[30-\theta, 20-\theta,$
 $5-\theta]$
 $\theta = 30, 20, 5$
 $\boxed{\theta = 5}$

$$\begin{array}{|c|c|c|c|c|} \hline
 4(25) & 3(15) & & & \\ \hline
 & 2(15) & 3(15) & & \\ \hline
 & & & 3(20) & \\ \hline
 2(5) & & & & 3(5) \\ \hline
 \end{array}$$

$$\begin{array}{|c|c|c|c|c|} \hline
 5 & \cdot & \cdot & 4 & 5 \\ \hline
 3 & 5 & \cdot & \cdot & 2 \\ \hline
 2 & 4 & 4 & \cdot & \cdot \\ \hline
 \end{array}
 -
 \begin{array}{|c|c|c|c|c|} \hline
 3 & \cdot & \cdot & 0 & -2 \\ \hline
 6 & 5 & \cdot & \cdot & 1 \\ \hline
 8 & 7 & 8 & \cdot & \cdot \\ \hline
 \end{array}
 =
 \begin{array}{cccccc}
 4 & 3 & 4 & 1 & -1 \\ \hline
\end{array}$$

$$d_{ij} = \begin{array}{|c|c|c|c|c|} \hline
 \cdot & \cdot & -3 & 1 & 7 \\ \hline
 2 & \cdot & \cdot & 4 & 7 \\ \hline
 -3 & 0 & \cdot & \cdot & 1 \\ \hline
 -6 & -3 & -4 & \cdot & \cdot \\ \hline
\end{array}$$

⑤ optimality test $d_{ij} < 0$

$$\begin{array}{|c|c|c|c|c|} \hline
 4(30) & 3(15) & & & \\ \hline
 & 2(20) & 3(15) & & \\ \hline
 & & 6(5) & 3(15) & \\ \hline
 +0 & & & 5(5) & 3(5) \\ \hline
\end{array}$$

\min
 $[30-\theta, 20-\theta,$
 $5-\theta]$
 $\theta = 30, 20, 5^{\circ}$
 $(\theta = 5)$

$$\begin{array}{|c|c|c|c|c|} \hline
 4(25) & 3(15) & & & \\ \hline
 & 2(15) & 3(15) & & \\ \hline
 & & & * 3(20) & \\ \hline
 2(5) & & & 5(4) & 3(5) \\ \hline
\end{array}$$

$m+n-1 = 8$

$$\begin{array}{|c|c|c|c|c|} \hline
 5 & \cdot & \cdot & 4 & 5 \\ \hline
 3 & 5 & \cdot & \cdot & 2 \\ \hline
 2 & 4 & 4 & \cdot & \cdot \\ \hline
 \end{array}
 -
 \begin{array}{|c|c|c|c|c|} \hline
 3 & \cdot & \cdot & 0 & -2 \\ \hline
 6 & 5 & \cdot & \cdot & 1 \\ \hline
 8 & 7 & 8 & \cdot & \cdot \\ \hline
 \end{array}
 =
 \begin{array}{|c|c|c|c|c|} \hline
 4 & 3 & 4 & 1 & -1 \\ \hline
 \end{array}$$

$$d_{ij} = \begin{array}{|c|c|c|c|c|} \hline \cdot & \cdot & -3 & 1 & 7 \\ \hline 2 & \cdot & \cdot & 4 & 7 \\ \hline -3 & 0 & \cdot & \cdot & 1 \\ \hline -6 & -3 & -4 & \cdot & \cdot \\ \hline \end{array}$$

⑤ optimality test $d_{ij} < 0$

$4(30)$	$3(15)$			
	$2(20)$	$3(15)$		
		$6(5)$	$3(15)$	
$+0$			$5(5)$	$3(5)$

$$\begin{aligned}
 & \min [30-\theta, 20-\theta, \\
 & 5-\theta] \\
 & \theta=30, 20, 5 \\
 & [\theta=5]
 \end{aligned}$$

$4(25)$	$3(15)$			
	$2(15)$	$3(15)$		
		*	$3(20)$	
$2(5)$			$5(4)$	$3(5)$

$$m+n-1=8$$

$$\min \text{cost} = 305.$$

2	4	4	.	.
8	7	8	.	.
4	3	4	1	-1

.	.	-3	1	7
2	.	.	4	7
-3	0	.	.	1
-6	-3	-4	.	.

⑤ optimality test $d_{ij} < 0$

$4(30)$	$3(15)$			
	$2(20)$	$3(15)$		
		$6(5)$	$3(15)$	
+0.			$5(5)$	$3(5)$

$$\begin{aligned} \min \\ [30-\theta, 20-\theta, \\ 5-\theta] \\ \theta = 30, 20, 5 \\ \boxed{\theta = 5} \end{aligned}$$

$4(25)$	$3(15)$			
	$2(15)$	$3(15)$		
		*	$3(20)$	
$2(5)$			$5(4)$	$3(5)$

$$m+n-1 = 8$$

$$\min \text{ cost} = 305.$$

$$\downarrow$$

$$\min \text{ cost} = \underline{\underline{210}}$$

Unbalanced Transportation Problem -

① supply < demand

(dummy row)

	d_1	d_2	d_3	Supply
s_1	28	17	26	500
s_2	19	12	16	300
Demand	250	250	300	800
				1000

② supply > demand

(dummy column)

	d_1	d_2	d_3	Supply
s_1	4	3	2	10
s_2	2	5	0	13
s_3	3	8	6	12
Demand	8	5	4	17
				35

✓

	d_1	d_2	d_3	
s_1	28	17	26	500
s_2	19	12	16	300
s_3	0	0	0	200
	250	250	300	800
				1000

	d_1	d_2	d_3	d_4	
s_1	4	3	2	0	10
s_2	2	5	0	0	13
s_3	3	8	6	0	12
Demand	8	5	4	18	35

Initial basic feasible sol" by vogel's method

28	17	26	500
19	12	16	300
0	0	0	200
250	250	300	

s_2	19	12	16	300
demand	250	250	300	1000
				600

s_2	2	5	0	13
s_3	3	8	6	12
demand	8	5	4	17

✓

	d_1	d_2	d_3	
s_1	28	17	26	500
s_2	19	12	16	300
s_3	0	0	0	200
	250	250	300	1000

	d_1	d_2	d_3	d_4	
s_1	4	3	2	0	10
s_2	2	5	0	0	13
s_3	3	8	6	0	12
	8	5	4	18	35

(Initial basic feasible sol" by vogel's method

28	17	26	500
19	12	16	300
0	0	0	200

250 250 300
0 80 0 200 0

(19) 12 16
9 5 10

$$\begin{aligned} \text{min cost} &= 28 \times 50 + 17 \times 250 + 26 \times 200 + 16 \times 300 + 0 \times 200 \\ &= 15,650/- \end{aligned}$$



Initial basic feasible solⁿ by vogel's method

28(50)	17(250)	26(200)	500	250	9 9
19	12	16(300)	300	0	4 4
0(200)	0	0	200	0	0 7

250 250 500
0 200 0 200 0

(19) 12 16
9 5 (10)

$$\begin{aligned} \text{min cost} &= 28 \times 50 + 17 \times 250 + 26 \times 200 + 16 \times 300 + 0 \times 200 \\ &= \underline{\underline{15,650/-}} \end{aligned}$$

check for non-degeneracy

$m+n-1 = 5$ allocations in independent positions

Apply MODI method

Initial basic feasible sol" by vogel's method

28 (50)	17 (250)	26 (200)	500	250	9 9
19	12	16 (300)	300	0	4 4
0 (200)	0	0	200	0	0 7

250, 250, 500

check for Non-degeneracy

$m+n-1 = 5$ allocations in independent positions

Apply MODI method

1. calculate u_i & v_j for occupied cells, $c_{ij} = u_i + v_j$

28.	17.	26.	$u_1 = 0$	$u_1 + v_1 = c_{11}$	$u_3 + v_1 = c_{31}$
		16.	$u_2 = -10$	$u_1 + v_2 = c_{12}$	$u_3 + 28 = 0$
0.			$u_3 = -28$	$0 + v_2 = 17$	$u_2 = -28$

v_1	v_2	v_3		$u_2 + v_3 = c_{23}$	
28	17	26		$u_2 + 26 = 16$	

Applying MODI method

1. calculate u_i & v_j for occupied cells, $c_{ij} = u_i + v_j$

28.	17.	26.
	16.	
0.		

$$u_1 = 0 \\ u_2 = -10 \\ u_3 = -28$$

$$v_1 \\ v_2 \\ v_3 \\ 28 \\ 17 \\ 26$$

$$\begin{array}{l} u_4 + v_1 = c_{11} \\ \Rightarrow 0 + v_1 = 28 \\ v_1 = 28 \\ u_3 + v_1 = c_{21} \\ u_3 + 28 = 0 \\ v_1 = -28 \\ u_2 + v_2 = c_{12} \\ 0 + v_2 = 17 \\ v_2 = 17 \\ u_2 + v_3 = c_{23} \\ -10 + v_3 = 16 \\ v_3 = 26 \end{array}$$

2. calculate cost differences $d_{ij} = c_{ij} - (u_i + v_j)$
(unoccupied cells)

c_{ij}

.	.	.
19	12	.
.	0	0

$u_i + v_j'$

.	.	.	0
18	7	.	-10
.	-11	-2	-28

28 17 26

$d_{ij} =$

.	.	.
1	5	.
.	11	2

28	17	26	$u_1 = 0$	$u_1 + v_1 = c_{11}$	$u_3 + v_1 = c_{31}$
		16	$u_2 = -10$	$u_1 + v_2 = c_{12}$	$u_3 + v_2 = c_{32}$
0			$u_3 = -28$	$0 + v_2 = 17$	$u_3 + 28 = 0$
v_1	v_2	v_3		$u_2 + v_3 = c_{23}$	$u_2 + 26 = 16$
28	17	26			

2. calculate cost differences $d_{ij} = c_{ij} - (u_i + v_j)$
 (unoccupied cells)

$$c_{ij} \quad u_i + v_j$$

$$\begin{array}{|c|c|c|} \hline \cdot & \cdot & \cdot \\ \hline 19 & 12 & \cdot \\ \hline \cdot & 0 & 0 \\ \hline \end{array} - \begin{array}{|c|c|c|} \hline \cdot & \cdot & \cdot \\ \hline 18 & 7 & \cdot \\ \hline -11 & -2 & \\ \hline 28 & 17 & 26 \\ \hline \end{array} \begin{matrix} 0 \\ -10 \\ -28 \end{matrix}$$

$$d_{ij} = \begin{array}{|c|c|c|} \hline \cdot & \cdot & \cdot \\ \hline 1 & 5 & \cdot \\ \hline \cdot & 11 & 2 \\ \hline \end{array}$$

$\therefore d_{ij} > 0$, an optimal solⁿ is obtained
 with minimum cost = 15,650.