2000, 1000, 0 — } contribution
0, 185, 1857 — } from 103s was $2350

---

x of product 1 } profit
y of product 2 } $P(x,y) = x + 2y$

mix 1 : $x=10, y=5$ P : 20

mix 2 : $x=20, y=10$ P : 40

(0, 200, 1800)

$\lambda = 1$ 11000000

(1000, 600, 900)

$\lambda = 0$

11 000 000

(2000, 1000, 0)

11000000

To produce at least 500 units

(500, 400, 1350)

Max m_2

$$0.8m_3 + m_1 + 2m_2 \leq 4000$$
$$1.5m_3 + 2m_1 + 2m_2 \leq 6000$$
$$m_3 + 2m_1 \leq 5000$$
$$3m_2 \leq 4500$$
$$m_3, m_1, m_2 \geq 0$$

✓ $3000m_1 + 5000m_2 + 2350m_3 = 11\,000\,000$

Stock 120

days	demand	profit		
5	50	-20	-100	
20	75	30	600	
30	100	80	2400	
20	125			
10	150		120	5400
10	175			
5	200			

8300

120
45
600
480
5400

On average 83/- per day

EXPECTED VALUE

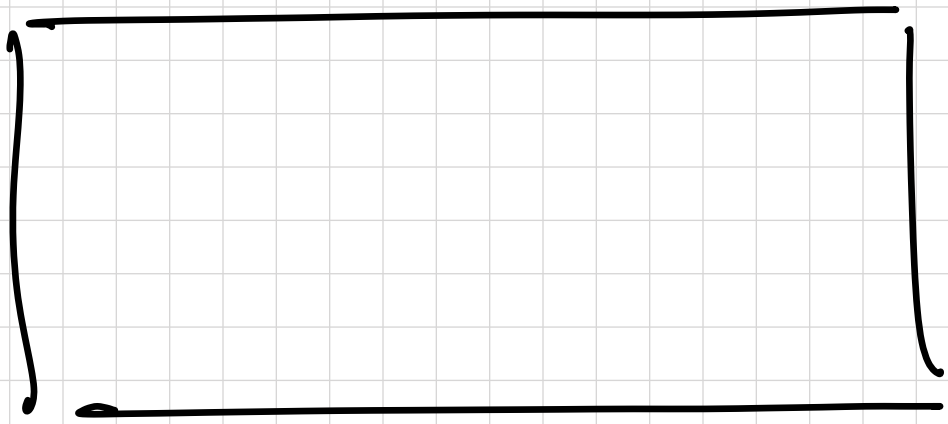
Ashish : 150 .

SUMMARY

- If probabilities are available use expected values.
- If not available choose the option where the maximum regret is the lowest.

Scenarios?
#sold within 3 mts.

Stock 100
.
.
.
Stock 500



cost price upto 300 units : Rs 15000 :
400, 500 : Rs 13500

S.P.

If new facet launched
within 3 mts Rs 20000 } 60%
after 3 mts Rs 10000. }

If new facet not launched
within 3 mts Rs 20000 } 40%
after 3 mts Rs 12500 }

IF NEW FACET NOT LAUNCHED

	Sell in 3 mts	Sell after 3 mts
Buy 100, 200 or 300	5000 500	-5000 -2500
Buy 400, 500	6500 6500	-3500 -1000

You stocked 400 units and the demand turned out to be 200

new facet was launched	new facet was NOT Launched
Regret 400 000	0
60%	40%

Expected value of regret

$= 60\% \times 400\,000$

$+ 40\% \times 0$

$= 2,40,000$

Regret : Best I could have done - what I did based on my choice.