

4. A company sells oil canisters. The daily demand is normally distributed with a mean of 20 canisters and standard deviation of 4 canisters. One of the company's managers, orders these canisters from a supplier whose delivery lead time is also normally distributed and has a mean of 8 days and standard deviation of 2 days. The manager would like at most a 2% chance of running out of stock during and replenishment period. What is the reorder point for these canisters? **(5 marks)**