

OR case STUDY

a) Transportation Problem.

(North West corner method)

An introduction to transportation problem has been discussed in this section. In this finding the initial basic feasible solution using the North West corner cell method will be discussed.

		Destination				Supply
		D1	D2	D3	D4	
source	01	3	1	7	4	300
	02	2	6	5	9	400
	03	8	3	3	2	500
demand		250	350	400	200	1200

→ Given three sources 01, 02, 03 and four destinations D1, D2, D3, and D4 for the sources 01, 02 and 03, the supply is 300, 400, 500 respectively. The destinations D1, D2, D3 & D4 have demands 250, 350, 400 & 200 respectively.

solution

According to the North West corner method, (01, D1) has to be the starting point, i.e. the north west corner of the table. Each and every value in the cell is considered as the cost per transportation. Compare the demand for column D1 and supply from the source 01 and allocate the minimum of two to the cell (01, D1) as shown in figure.

The demand for column D1 is completed so the entire column D1 will be canceled. The supply from the source 01 remains $300 - 250 = 50$.

		Destination				Supply
Source		D1	D2	D3	D4	
		250 3	1	7	4	300 50
	02	2	6	5	9	400
	03	8	3	3	2	500
Demand		250	350	400	200	1200
		0				

Now from the remaining table, i.e. excluding column D1, check the North West corner, i.e. (01, D2) and allocate the minimum among the supply for the respective column and rows. The supply from 01 is 50, which is less than the demand for D2 i.e. (350), so allocate the cell (01, D2) since the supply from row 01 is completed cancel the row 01. The demand for column D2 remains $350 - 50 = 300$.

		Destination				Supply
Source		D1	D2	D3	D4	
		250 3	50 1	7	4	300 50
	02	2	6	5	9	400
	03	8	3	3	2	500
Demand		250	350	400	200	1200
		0	300			

from the remaining table the north West corner cell is (O₂, D₂). The minimum among the supply from source O₂ (i.e. 400) and demand for column D₂ (i.e. 300) is 300, so allocate 300 to the cell (O₂, D₂). The demand for the column D₂ is completed so cancel the column and the remaining supply from source O₂ is $400 - 300 = 100$

		Destination				
		D ₁	D ₂	D ₃	D ₄	supply
source	O ₁	250 3	50 1	7	7	300 500
	O ₂	2	6	5	9	400 100
	O ₃	8	3	3	2	500
demand		250 0	350 300	400	200	1200

Now from remaining table find the north West corner i.e. (O₂, D₃) and compare the O₂ supply (i.e. 100) and the demand (i.e. 400) and allocate the smaller (i.e. 100) to the cell (O₂, D₃). The supply from O₂ is completed so cancel the row O₂. The remaining demand for column D₃ remains $400 - 100 = 300$

		Destination				
		D ₁	D ₂	D ₃	D ₄	supply
source	O ₁	250 3	50 1	7	4	300 500
	O ₂	2	300 6	100 5	9	400 100
	O ₃	8	3	3	2	500
demand		250 0	350 300	400 300	200	1200

proceeding in the same way the final values of the cells will be.

		Destination				
		D1	D2	D3	D4	Supply
Source	01	250	50	7	4	300
	02	2	300	5	9	400
	03	8	3	3	2	500
Demand		250	350	400	200	1200
		0	300	300	0	

Note: In the remaining cell the demand for the respective columns and rows are equal which was cell (03, D4). In this case, the supply from 03 and the demand for D4 was 200 which was allocated to this cell. At last, nothing remained for any row or column.

Now, just multiply the allocated value with the respective cell value (i.e. the cost) and add all of them to get the basic solution i.e.

$$\begin{aligned}
 & (250 \times 3) + (50 \times 1) + (300 \times 6) + \\
 & (100 \times 5) + (300 \times 3) + (200 \times 2) \\
 & = 750 + 50 + 1800 + 500 + 900 + 400 \\
 & = \underline{\underline{4400}}
 \end{aligned}$$