

11/13/09

Model 5

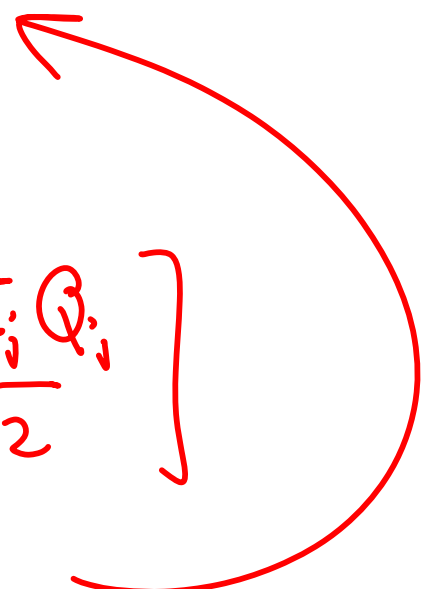
n items.

Resource constraint

$$I_2 = \sum_{j=1}^n p_j Q_j \leq f$$

Minimize
$$\sum_{j=1}^n \left[\frac{\lambda_j A_j}{Q_j} + \frac{I_j Q_j}{2} \right]$$

subject to

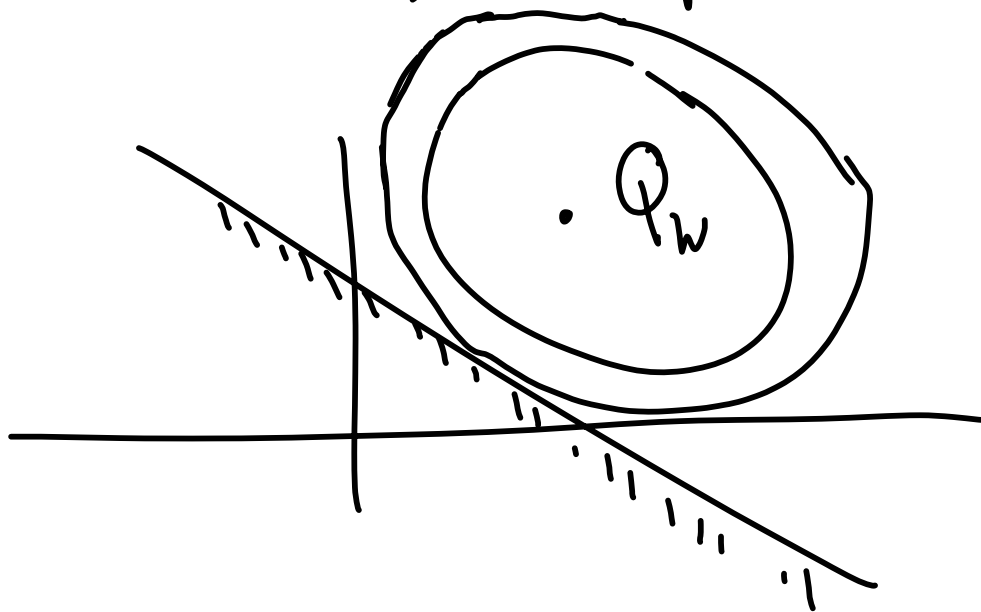


Step 1

Compute $Q_{jw} = (2\lambda A_j / I_j)^{1/2}$ $j=1, 2, \dots, n$

See if this is feasible.

if feasible, then optimal.



Optimum
satisfies

$$\sum_{j=1}^n Q_j = R$$

Step 2

Solve Minimise K

s.t.

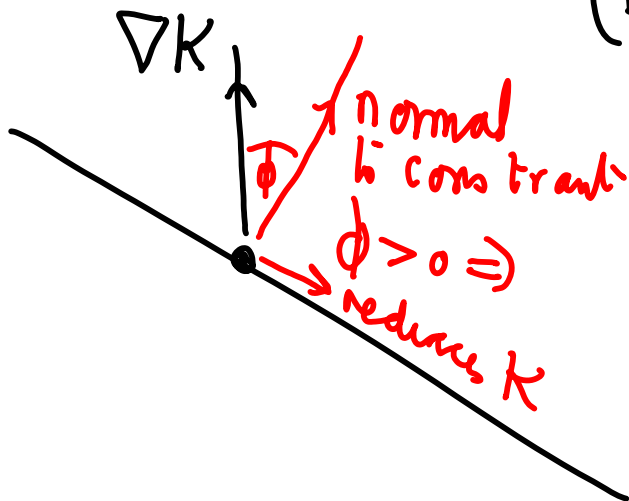
$$\sum_{i=1}^n f_i Q_i = f \quad (1)$$

Solve equations:

(1)

$$\frac{\partial K}{\partial Q_i} = \theta f_i, \quad i=1, \dots, n$$

unknown



$n+1$ equations in $n+1$ unknowns

$$(1) \equiv Q_j = \left(\frac{2 \lambda_j A_j}{I_j - 2\theta f_j} \right)^{1/2}$$

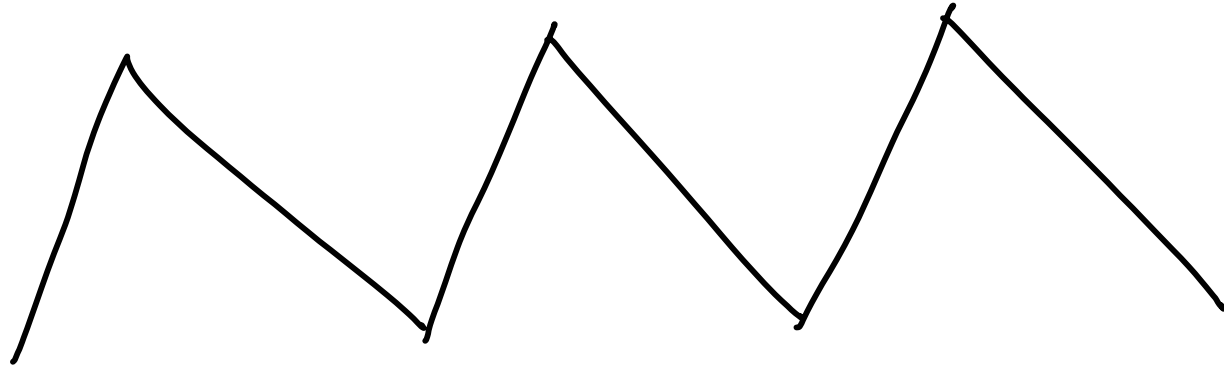
$$\sum_j f_j \downarrow = f$$

Solve for θ , numerically.

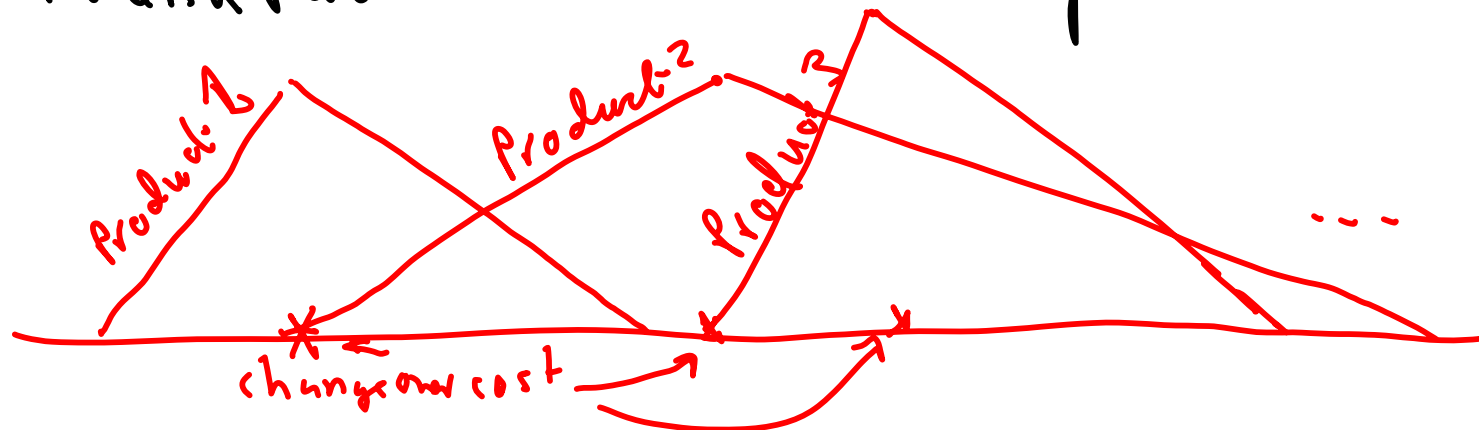
Model 6

n -items.

Each individually looks like



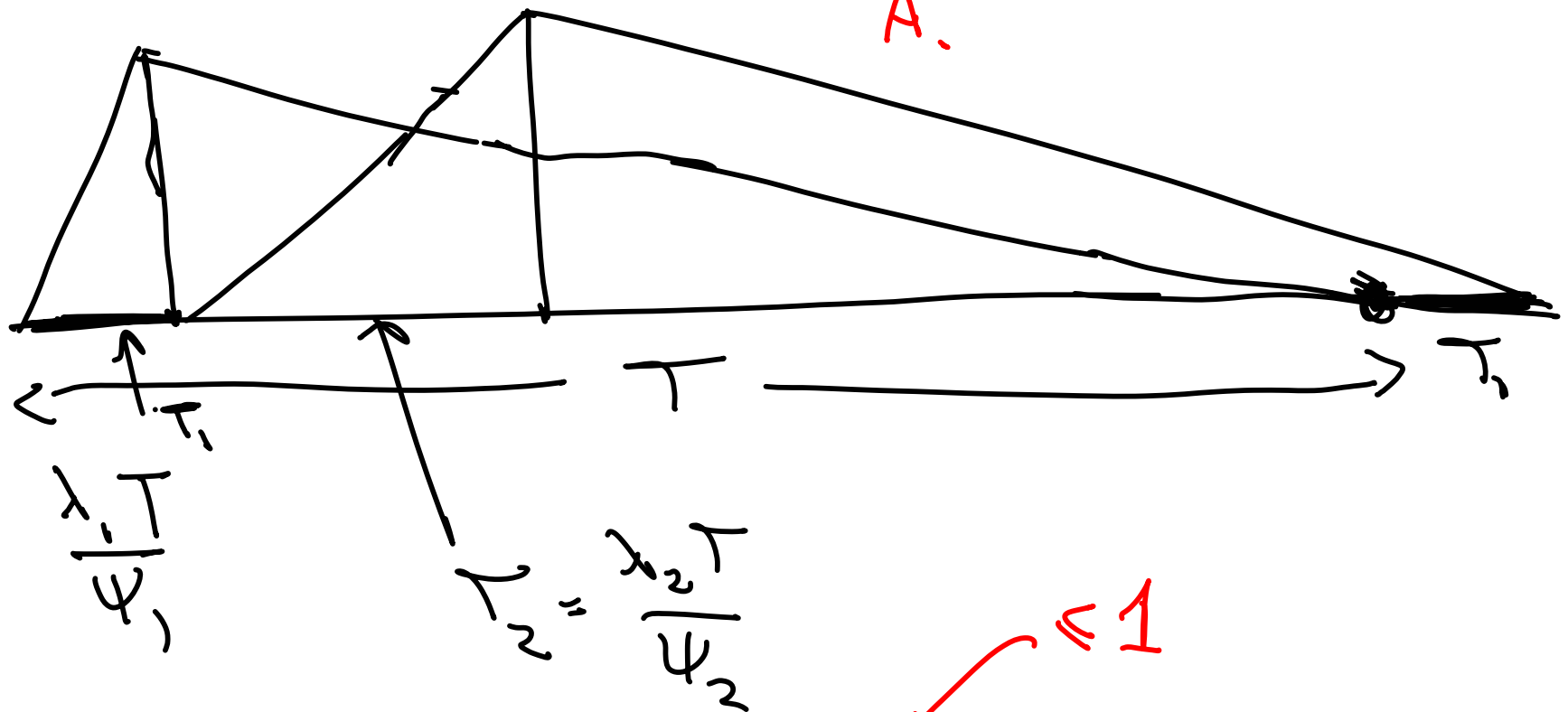
Manufacture the items oneself.



Assume first that we produce in sequence

1, 2, ..., n, 1

Given this cycle there is
a total change-over cost
A.



Production times $\left(\frac{\lambda_1}{\psi_1} + \frac{\lambda_2}{\psi_2} + \dots \right) T$

Cost, given ordering product in

$$\frac{A}{T} + \sum_{j=1}^n \frac{I_j}{2} * \underbrace{Q_j}_{\frac{x_j}{T}} \left(1 - \frac{x_j}{Q_j}\right)$$

Strategy: $\forall$ sequences
minimize $\downarrow$ over T
and take best sequence.