

9/2/11

$n=4$ $d=(4,5,4,5)$

$H=4$ $c(x) = x(30-x)$

x_1 x_2 x_3 x_4
8 1 8 1
Total Cost = 418

i/g	<u>1</u>		<u>2</u>		<u>3</u>		<u>4</u>	
	f	x	f	x	f	x	f	x
0	410	8	314	9	205	8	125	5
1			301	8	190	7	104	4
2			286 ³ or 7		173	6	81	3
3			261	2	154 ¹ or 5		56	2
4			234	1	125	0	29	1

$i = 0$

$r = 3$

x

cost

4

104

+

125

5

125

+

104

6

144

+

81

7

161

+

56

8

176

+

29 = 205 *

$$i = \underline{1}$$

$$r = 3$$

x

cost

3

$$81 + 125$$

4

$$104 + 104$$

5

$$125 + 81$$

6

$$144 + 56$$

7

$$161 + 29 = 190$$

$i = 2$

$r = 3$

x

cost

2

56

+

125

3

81

+

104

4

104

+

81

5

125

+

56

6

144

+

29 = 173*

$i = 3$

$r = 3$

k

cost

1	29	+	125	= 154 [*]
2	56	+	104	
3	81	+	81	
4	104	+	56	
5	125	+	29	= 154 [*]

$i = 4$

$r = 3$

x

cost

0

0

+

125

=

125

1

29

+

104

2

56

+

81

3

81

+

56

4

104

+

29

$$i = 0$$

$$r = 2$$

x

cost

5

$$125 + 205$$

6

$$144 + 190$$

7

$$161 + 173$$

8

$$176 + 154$$

9

$$189 + 125 = 314^*$$

$$i = 1$$

$$r = 2$$

x

cost

4

$$104 + 205$$

5

$$125 + 190$$

6

$$144 + 173$$

7

$$161 + 154$$

8

$$176 + 125 = 301^*$$

$$i = 2$$

$$r = 2$$

x

cost

3

81

+

205

= 286^{*}

4

104

+

190

5

125

+

173

6

144

+

154

7

161

+

125

= 286^{*}

$$i = 3$$

$$r = 2$$

x

cost

2	56	+	205	= 261
3	81	+	190	
4	104	+	173	
5	125	+	154	
6	144	+	125	

$$i = 4$$

$$r = 2$$

x

cost

1	29	+	205	= 234
2	56	+	190	
3	81	+	173	
4	104	+	154	
5	125	+	125	

$$i = 0$$

$$r = 1$$

$$4 \quad 104 \quad + \quad 314$$

$$5 \quad 125 \quad + \quad 301$$

$$6 \quad 144 \quad + \quad 286$$

$$7 \quad 161 \quad + \quad 261$$

$$8 \quad 176 \quad + \quad 234 = 410$$

$$f_r(i) = \min_x \left[c(x) + f_{r+1}(i+x-d_r) \right]$$

(i) Suppose there are inventory costs.

$$\sigma(\overset{\substack{\uparrow \\ \text{start}}}{i}, \overset{\substack{\uparrow \\ \text{end}}}{i+x-d_r})$$

$\sigma \equiv$ stock cost

$$f_r(i) = \min_x \left[c(x) + \overset{\substack{\uparrow \\ \text{start}}}{f_{r+1}}(i+x-d_r) \right] + \sigma(i, i+x-d_r)$$

$$f_r(i) = \min_x \left[c(x) + f_{r+1}(i+x-d_r) \right]$$

ii) Penalty of π per unit per period of delay in meeting demand.

$$f_r(i) = \min_x \left[c(x) + f_{r+1}(i+x-d_r) + \pi \left[d_r - i - x \right]^+ \right]$$

allow i to be negative

$x^+ = \max\{0, x\}$