

## #Jenny



Finally I get this ebook, thanks for all these I can get now!

## #Rio



Cool! I'am really happy

## #Markus Jensen



I did not think that this would work, my best friend showed me this website, and it does! I get my most wanted eBook

## #Hun Tsu



wtf this great ebook for free?!

## #Che Salsa



My friends are so mad that they do not know how I have all the high quality ebook which they do not!

## #Diego Butler



so many fake sites. this is the first one which worked! Many thanks

CHAPTER 12 MANAGING INVENTORY 180

8. Because this is a new store demand, demand indicates the EOQ (quantity of constant demand). Therefore, the number of orders should not be planned for this the ordered EOQ (quantity) use as all orders at the EOQ (quantity) of 60,000. The total cost and total profit will be the amount of the demand (quantity) in stock.

**Theoretical Solution:** Markus should order 60,000 per order from First Printing. The optimal theoretical EOQ (quantity) is 12 orders of 60,000 each for a total cost of \$2,000 and the total is \$10,000. The inventory cost savings is from the previous best solution. The solution is to use the previous best solution (the best EOQ) to see how the solution is to be used. The solution is to use the previous best solution (the best EOQ) to see how the solution is to be used. The solution is to use the previous best solution (the best EOQ) to see how the solution is to be used.

Item	Unit	Cost
Demand rate, D	200,000	
Setup cost, S	\$20	
Ordering cost, C <sub>o</sub>	\$20	
Quantity, q	1,000	200,000
Quantity, q	1,000	200,000

Quantity	Range 1	Range 2	Range 3	Range 4
Q*	12,171.43	12,171.43	12,171.43	12,171.43
Order quantity	12,171.43	30,000.00	60,000.00	250,000.00
Setup cost	\$4,929.50	\$11,471.43	\$2,500.00	\$78,750.00
Ordering cost	\$4,929.50	\$2,000.00	\$1,000.00	\$240.00

**Actual Solution:** The demand is not constant. Markus will order 200,000 quantities for use. The program will be different next year when he will plan for a more detailed demand, depending on how the store does this year. Markus's total solution will be more for the use. Markus should order quantities from First Printing for prices 3 orders for 60,000 and 1 for 20,000 at an actual total cost of \$10,000.

Theoretical unit cost =  $(50 \times 200,000) + \$200,000$   
 Actual unit cost =  $(100 \times 200,000) + (100 \times 15) + 20,000 = \$200,000 + 150,000 + 20,000 = \$370,000$

Theoretical ordering cost =  $(12 \times \$20) = \$240$   
 Actual ordering cost =  $(3 \times \$20) + (1 \times \$20,000) = 60 + 20,000 = 20,060$

Theoretical holding cost =  $30\% \times (12 \times 60,000) = \$21,600$   
 Actual holding cost =  $30\% \times (12 \times 60,000) = \$21,600$

Total program cost =  $(\$370,000) + (\$20,060) + (\$21,600) = \$411,660$

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