

TABLE 18.16: Calculating Lot Size Using PPB Over Periods 1 to 4 of the Planning Horizon

PERIODS COMBINED	LOT SIZE (CUMULATIVE NET REQUIREMENTS)	SETUP COST	PART-PERIODS	INVENTORY CARRYING COST (IN U.S. DOLLARS)
1	30	\$100	0	$0 \times \$1 = 0$
1, 2	80	\$100	50×1	$50 \times \$1 = \50
1, 2, 3	100	\$100	$50 \times 1 + 20 \times 2$	$90 \times \$1 = \90
1, 2, 3, 4	160	\$100	$50 \times 1 + 20 \times 2 + 60 \times 3$	$270 \times \$1 = \270