

TABLE 18.17: Calculating Lot Size Using PPB Over Periods 4 to 7 of the Planning Horizon

PERIODS COMBINED	LOT-SIZE (CUMULATIVE NET REQUIREMENTS)	SETUP COST	PART-PERIODS	INVENTORY CARRYING COST (IN U.S. DOLLARS)
4	60	\$100	0	$0 \times \$1 = 0$
4, 5	120	\$100	60×1	$60 \times \$1 = \60
4, 5, 6	140	\$100	$60 \times 1 + 20 \times 2$	$100 \times \$1 = \100
4, 5, 6, 7	170	\$100	$60 \times 1 + 20 \times 2 + 30 \times 3$	$190 \times \$1 = \190