

**TABLE 18.18:** Calculating Lot Size Using PPB Over Periods 7 to 10 of the Planning Horizon

PERIODS COMBINED	LOT-SIZE (CUMULATIVE NET REQUIREMENTS)	SETUP COST	PART-PERIODS	INVENTORY CARRYING COST
7	30	\$100	0	$0 \times \$1 = 0$
7, 8	80	\$100	$50 \times 1$	$50 \times \$1 = \$50$
7, 8, 9	110	\$100	$50 \times 1 + 30 \times 2$	$100 \times \$1 = \$110$
7, 8, 9, 10	150	\$100	$50 \times 1 + 30 \times 2 + 40 \times 3$	$230 \times \$1 = \$230$