

TABLE 18.34: Calculating Lot Size Using PPB Over Periods 2 to 4 of the Planning Horizon

Periods Combined	Lot Size (cumulative net requirements)	Setup Cost (in U.S. dollars)	Part-Periods	Inventory Carrying Cost (in U.S. dollars)
2	60	\$100	0	$0 \times \$2 = 0$
2, 3	100	\$100	40×1	$40 \times \$2 = \80
2, 3, 4	180	\$100	$40 \times 1 + 80 \times 2$	$200 \times \$2 = \400