

TABLE 18.35: Calculating Lot Size Using PPB Over Periods 4 to 6 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)
4	80	\$100	0	$0 \times \$2 = 0$
4, 5	110	\$100	30×1	$30 \times \$2 = \60
4, 5, 6	180	\$100	$30 \times 1 + 70 \times 2$	$170 \times \$2 = \340