

1. There are 3 reservoirs R1, R2, R3 with daily supplies of 15, 20, and 25 million liters of water, respectively. On each day we must supply for cities C1, C2, C3, C4, whose demands are 8, 10, 12, 15 million liters, respectively. The cost of pumping per million liters is given by:

	C1	C2	C3	C4
R1	2	3	4	5
R2	3	2	5	2
R3	4	1	2	3

- (a) Set up the table for a balanced transportation problem with the given data.

(You should get a 3×5 table with decision variables x_{ij} .)

	2	3	4	5	0	Supplies
	3	2	5	2	0	15
	4	1	2	3	0	20
						25

Demands: 8 10 12 15 15

- (b) Use NW corner rule to find an initial basic feasible solution.

8	7			
	3	12	5	
			10	15

- (c) Apply an iteration to the basic feasible solution:

$$(x_{11}, x_{12}, x_{15}, x_{22}, x_{24}, x_{33}, x_{35}) = (8, 5, 2, 5, 15, 12, 13)$$

u/v	2	3	2	3	0	
0	2	3	4	5	0	15
-1	3	2	5	2	0	20
0	4	1	2	3	0	25

loop

$$x_{32} \rightarrow x_{35} \rightarrow x_{15} \rightarrow x_{12}$$

$$\Delta = 5$$

- (d) Check whether the new solution is optimal.

	2	1	2	1	0	
0	2	3	4	5	0	15
1	3	2	5	2	0	20
0	4	1	2	3	0	25

8 10 12 15 15

	2	1	2	2	0	
0	-2	-2	-3	0	0	15
-1	-1	-3	0	0	0	20
0	0	0	-2	0	0	25

8 10 12 15 15

$$Z = 16 + 1n + 2n + 5 + 7u$$

$$Z = 16 + 30 + 10 + 24 \quad (\text{Optimal})$$

7.5 Assignment problems

Assign m people to m jobs with a cost (salary) matrix. Basically, we are solving the supply demand problem with $s_i = v_j = 1$ for all $i, j = 1, \dots, m$.

We can use the standard transportation simplex method.

We can also use the Hungarian method.

1. Subtract the minimum element in each row from entries of the same row for all rows to get a reduced cost matrix.
2. Find the minimum number of lines (vertical / horizontal) covering all the zeros in the matrix. If we need m lines, we are done. Else, go to Step 3.
3. Find the minimum entry not covered by the lines, and subtract it from the uncovered entries, and add it to entries covered by two lines. Return to Step 2.

Explanation of Algorithm. Adding/subtracting constants from a row/columns does not change the optimal solution.

Steps 1 and 3 are just changing the cost matrix without changing the optimal solution. In particular, Step 3 is adding a constant to the covered rows, and subtracting the same constant from the uncovered columns.

See Example in p. 396-397.

effectiveness

	J1	J2	J3	J4
P1	1	0		
P2		1		
P3		0	1	
P4			0	1
	1	1	1	1

$4+4-1=7$ · x_{ij} are basic variables .

	J1	J2	J3
P1	0	0	0
P2	0	0	2
P3	0	3	4

1	0	0
0	0	1
0	2	3

TABLE 44
Basic Feasible Solution
for Machineco

		Job 1	Job 2	Job 3	Job 4	
	$r_j =$	3	4	8	7	
Machine 1	$s_i = 0$	14	5	8	7	1
Machine 2	-2	2	12	6	5	1
Machine 3	-5	7	8	3	9	1
Machine 4	-1	2	4	6	10	1
		1	1	1	1	



TABLE 45
 x_{41} Has Entered the Basis

		Job 1	Job 2	Job 3	Job 4	
	$r_j =$	3	5	7	7	
Machine 1	$s_i = 0$	14	1	8	7	1
Machine 2	-2	2	12	6	5	1
Machine 3	-4	7	8	1	9	1
Machine 4	-1	1	0	0	10	1
		1	1	1	1	

In the graphical representation

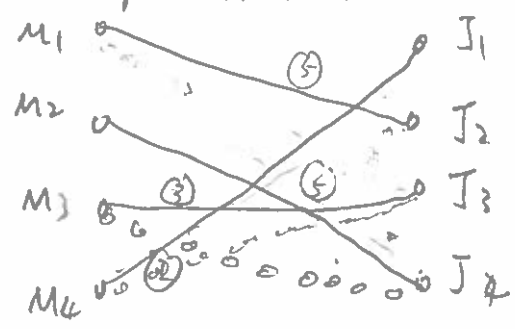


TABLE 46
Cost Matrix for Machines

14	5	8	7
2	12	6	5
7	8	3	9
2	4	6	10

Row Minimum
5
2
3
2

TABLE 47
Cost Matrix After Row
Minima Are Subtracted

9	0	3	2
0	10	4	3
4	5	0	6
0	2	4	8

Column Minimum 0 0 2

TABLE 48
Cost Matrix After Column
Minima Are Subtracted

9	0	3	0
0	10	4	1/2
4	5	0	4
0	2	4	6

TABLE 49
Four Lines Required; Optimal
Solution Is Available

9	0	3	0
0	9	3	0
4	5	0	4
0	1	3	5

Thus, we have found the optimal assignment $x_{12} = 1$, $x_{23} = 1$, $x_{33} = 1$, and $x_{41} = 1$. Of course, this agrees with the result obtained by the transportation simplex.

7.6 Transshipment problems

Basic idea Using the intermediate nodes (transshipment points) in a transportation network as supply and demand points as well.

Example (pp. 400-402) Widgetco manufactures widgets at Memphis and Denver (150 unit and 200 units). Have to ship to Los Angeles and Boston (130 units in each demand point).

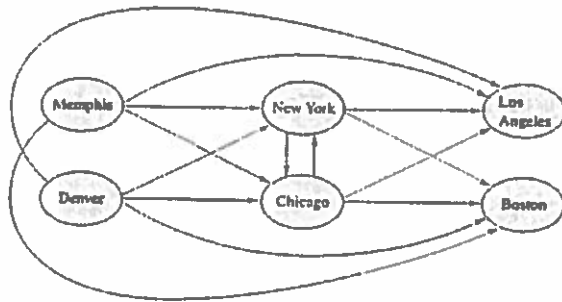
Looking at the transportation cost matrix, one would assume that Memphis, Denver, N.Y. Chicago as supply points, N.Y. Chicago, L.A., Boston, Dummy as demand points.

Solving the problem, we see that it is beneficial to send product from Memphis to L.A. through N.Y.

TABLE 58
Shipping Costs for Transshipments

From	To (\$)					
	Memphis	Denver	N.Y.	Chicago	L.A.	Boston
Memphis	0	—	8	13	25	28
Denver	—	0	15	12	26	25
N.Y.	—	—	0	6	16	17
Chicago	—	—	6	0	14	16
L.A.	—	—	—	—	0	—
Boston	—	—	—	—	—	0

FIGURE 9
Transshipment Problem



$$\begin{array}{l}
 \left. \begin{array}{l} \rightarrow \\ \rightarrow \\ \rightarrow \\ \rightarrow \end{array} \right\} \begin{array}{l}
 \text{Memphis: } 130 + 20 = 150 \\
 \text{Denver: } 130 + 70 = 200 \\
 \text{N.Y.: } 220 + 130 - 130 - 220 = 0 \\
 \text{Chicago: } 350 - 350 = 0 \\
 \text{L.A.: } -130 \\
 \text{Boston: } -130 \\
 \text{Dummy: } -20 - 70 = -90
 \end{array}
 \end{array}$$

TABLE 59
Representation of
Transshipment Problem
as Balanced
Transportation Problem

	N.Y.	Chicago	L.A.	Boston	Dummy	Supply
Memphis	8 130	13	25	28	20 0	150
Denver	15	12	26	25 130	70 0	200
N.Y.	0 220	6	16 130	17	0	350
Chicago	6	350 0	14	16	0	350
Demand	350	350	130	130	90	

FIGURE 10
Optimal Solution
to Widgeka

