

Homework 3.

For each problem, write the (algebraic) linear programming formulation first. Give clear definitions of the decision variables as *numbers*. For example, write “R = the number of regular bags produced”, not “R = regular”.

Second, for each problem listed below, **create an Excel spreadsheet model of the problem and find an optimal solution with Solver.** Hand in the *standard printouts*. (See the course webpage for details.)

Don't forget to **interpret the numerical results**. For example, don't just write “R=10” (underlined twice), but “the optimal production plan is to make 10 regular bags”.

1. (10 points) Solve problem 6 on page 49 of the course pack. (Candy business.)
2. (15 points) Solve problem 44 on page 66 of the course pack. (Finco Investment...)
3. (10 points, *extra credit*) Solve problem 13 on page 51 of the course pack. (Wall St. firms.)
4. (no points, but rather instructive!) Read the solved example problem “Tyco” on pp. 63-66.

Due on Wednesday, October 3, in class.