

Note: - Since $x_{ij} \geq 0 \Rightarrow a_i \geq 0$ and $b_j \geq 0$.

If any $a_k = 0 \Rightarrow x_{kj} = 0$ for all $j = 1, 2, \dots, n$ and thus can be eliminated from the problem. Therefore $a_i > 0$ and $b_j > 0$.

Example:- A company manufacturing air-coolers has two plants located at Hyderabad and Mumbai with a capacity of 300 units & 100 units per week respectively. The company supplies the air-coolers to its four showrooms situated at Bangalore, Chennai, Delhi and Ernakulam which have a maximum demand of 85, 150, 150 & 55 units respectively. Due to the differences in raw material cost and transportation cost, the profit per unit in rupees differs which is shown in the table below:

		Destinations				Supply
		D ₁ Bangalore	D ₂ Chennai	D ₃ Delhi	D ₄ Ernakulam	
Source (origin)	Hyderabad (S ₁)	x_{11}	x_{12}	x_{13}	x_{14}	300 (a ₁)
	Mumbai (S ₂)	x_{21}	x_{22}	x_{23}	x_{24}	100 (a ₂)
Demand:		85 (b ₁)	150 (b ₂)	150 (b ₃)	55 (b ₄)	

Let x_{ij} = the quantity of air-coolers to be transported from S_1, S_2 to D_1, D_2, D_3, D_4 respectively.

The problem is to determine x_{ij} so as to maximize the total profit.

$$\text{Maximize } Z = \sum_{i=1}^2 \sum_{j=1}^4 x_{ij} p_{ij} \text{ subject to the constraints:}$$

$$\sum_{j=1}^4 x_{ij} = a_i \quad (i=1, 2)$$

$$\sum_{i=1}^2 x_{ij} = b_j \quad (j=1, 2, 3, 4) \text{ and all } x_{ij} \geq 0.$$

Existence of Feasible solution:- A necessary and sufficient condition for the existence of feasible solution to a general T.O.P is that Total supply = Total demand $\sum_{i=1}^m a_i = \sum_{j=1}^n b_j$

Existence of optimum solution:- when the total supply is equal to the total demand, there always exists an optimum solution to a T.P.

Basic feasible solutions:- out of $(m+n)$ equations (constraints), we have only $(m+n-1)$ linearly independent equations because of total demand = total supply. The basic feasible solution will consist of atmost $(m+n-1)$ positive variables, the rest being zero.

* A feasible solution involving exactly $(m+n-1)$ positive variables is known as non-degenerate basic feasible solution, otherwise it is said to be degenerate basic feasible solution.

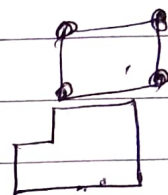
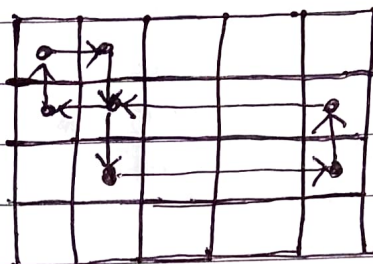
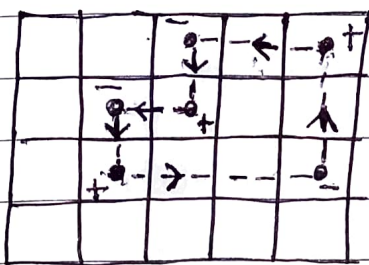
* when the total supply = total demand, the T.P is called balanced T.P, otherwise it is said to be unbalanced.

* The allocated cells in the ~~TP~~ transportation table will be called occupied cells and empty cells will be called non-occupied cells.

* In order to avoid difficulty to discriminate between degenerate and non-degenerate basic solution, we shall adopt the convention that while displaying a basic feasible solution in a transportation table, the value of any particular x_{ij} is actually entered if and only if x_{ij} is a basic variable.

* Loops in T.P! - In a TP, an ordered set of 4 or more cells is said to form a LOOP if (i) any two adjacent cells in the ordered set lie either in the same row or in the same column and (ii) any 3 or more adjacent cells in the ordered set do not lie in the same row or the same column.

Examples:- The ordered set of cells $L = \{(3,2), (2,2), (2,3), (1,3), (1,5), (3,5)\}$ is a Loop whereas $\{(3,2), (3,5), (2,5), (2,2), (2,1), (1,1), (1,2), (2,2), (3,2)\}$ is not a Loop.



Note: The first cell of the set is considered to follow the last in the set, i.e., each cell (except the first) must appear only once in the ordered set.

Remark:- 1) Every loop has an even number of cells.

(2) The allocations are said to be in independent positions if it is not possible to increase or decrease any independent individual allocation without changing the positions of these allocations. i.e) a closed Loop cannot be formed through these allocations.

(3) Each row & column in the TP should have only one plus and minus sign. All cells that have a plus or minus sign, except the starting unoccupied (non-basic) cell are occupied (basic) cells.

(4) Closed loops may or may not be square in shape.

* Set containing a loop:- A set X of cells of a TP is said to contain a Loop if the cells of X or a subset of X can be ordered so as to form a loop.

* A feasible solution to a TP is basic iff the corresponding cells in the TP do not contain a loop.

Solution of a TP:-

The solution to a TP involves the following major steps:

- Step 1. Formulate the given problem as a LPP.
- Step 2. Set up the given LPP in tabular form known as a TP.
- Step 3. Examine whether total supply equals total demand. If not, introduce a dummy row/column having all its cost elements as zero and supply/demand as (+ve) difference of supply and demand.
- Step 4: Find an initial basic, feasible solution that must satisfy all the ~~supply~~ supply and demand conditions.
- Step 5: Examine the solution obtained in step 4 for optimality. i.e) examine whether an improved transportation schedule with lower cost is possible.
- Step 6: If the solution is not optimal, modify the shipping schedule by including that unoccupied cell whose inclusion may result in an improved solution.
- Step 7: Repeat step 4 until no further improvement is possible.

Finding an initial basic feasible solution:

1. NORTH - WEST corner method.

Step 1. Select the north-west (upper left hand) corner cell of the TP and allocate $x_{11} = \min(a_1, b_1)$

Step 2. If $b_1 > a_1$, we move down vertically to the 2nd row and make the 2nd allocation of magnitude $x_{21} = \min(a_2, b_1 - a_1)$ in cell (2, 1)

~~Step 3~~ If $b_1 < a_1$, move right horizontally to the 2nd column and make the second allocation of magnitude $x_{12} = \min(a_1 - a_1, b_2)$ in the cell (1, 2)

If $b_1 = a_1$, there is a tie for the 2nd allocation and one can make 2nd allocation of magnitude $x_{12} = \min(a_1 - a_1, b_2) = 0$ in the cell (1, 2) (or) $x_{21} = \min(a_2, b_1 - b_1) = 0$ in the cell (2, 1).

steps: Repeat steps 1 and 2 moving down towards the lower right corner of the Transportation table until all the rim requirements are satisfied.

Note: 1) The cells which get allocation will be called basic cells. 2) The initial basic feasible solution obtained by means of north-west corner rule may be far from optimum, because the costs completely ignored.

2. Least-cost method or Matrix minima method: - This method takes into account the minimum unit cost and can be summarized as follows:

Step 1. Determine the smallest cost in the cost matrix of the transportation table. Let it be c_{ij} . Allocate $x_{ij} = \min(a_i, b_j)$ in the cell (i, j) .

Step 2: If $x_{ij} = a_i$, cross off the i^{th} row of the Transportation table and decrease b_j by a_i . Goto Step 3.

If $x_{ij} = b_j$, cross off the j^{th} column of the transportation table and decrease a_i by b_j . Goto Step 3.

If $x_{ij} = a_i = b_j$, cross off either the i^{th} row or j^{th} column but not both.

Step 3: Repeat steps 1 and 2 for the resulting reduced transportation table until all the rim requirements are satisfied. whenever the minimum cost is not unique, make an arbitrary choice among the minimum.

3. Vogel's approximation method (VAM).

The VAM takes into account not only the least cost c_{ij} but also the cost that just exceed c_{ij} . The steps of the method are given below:

Step 1: - For each row of the transportation table, identify the smallest and the next-to-smallest costs. Determine the difference between them for each row. Display them alongside the

transportation table by enclosing them in parenthesis against the respective rows. Similarly, compute the differences for each column.

Step 2: Identify the row or column with the largest difference among all the rows & columns. If a tie occurs, use any arbitrary tie-breaking choice. Let the greatest difference correspond to i^{th} row and let c_{ij} be the smallest cost in the i^{th} row. Allocate the maximum feasible amount $x_{ij} = \min(a_i, b_j)$ in the (i, j) cell and cross off the i^{th} row or the j^{th} column in the usual manner.

Step 3: Recompute the column and row difference for the reduced transportation table and go to step 2. Repeat the procedure until all the rim requirements are satisfied.

Problem: -

- 1) Obtain an initial basic feasible solution to the following transportation problem using the North-west Corner rule: -

	D	E	F	G	Available (a_i)
A	11	13	17	14	250
B	16	18	14	10	300
C	21	24	13	10	400
Requirements (b_j)	200	225	275	250	

Solution: - Since $\sum_{i=1}^3 a_i = \sum_{j=1}^4 b_j = 950$, there exists a feasible solution to the TP.

Solution to the TP.

	D	E	F	G	Supply (a_i)
A	200	11	13	17	250
B	16	18	14	10	300
C	21	24	13	10	400

	E	F	G	Supply (a_i)	
A	50	13	17	14	50
B	18	14	10	10	300
C	24	13	10	10	400
Demands (b_j)	225	275	250		

Demands (b_j) 200 225 275 250

Expt. No. _____

	E	F	G	
B	175			300
	18	14	10	250
C	24	13	10	400
	175	275	250	

(OR)

	11	13	17	14
				250
	16	18	14	10
				300
	21	24	13	10
				400
	200	225	275	250

	F	G	
B	125		1250
	14	10	
C	13	10	400
	275	250	
	150		

	F	G	
C	150		400 250
	13	10	
	150	250	

	G	
C	250	
	10	250
	250	

$m = 3$
 $n = 4$

$m + n - 1 = 6$

$x_{11} = 200, x_{12} = 50$

$x_{22} = 175, x_{23} = 125$

$x_{33} = 150, x_{34} = 250$

Hence the initial basic feasible solution to the TP has been obtained and is displayed in in table given below

	D	E	F	G
A	200	50		
	11	13	17	14
B		175	125	
	16	18	14	10
		150	250	
C	21	24	13	10

The transportation cost according the above route is

$Z = 200 \times 11 + 50 \times 13 + 175 \times 18$
 $+ 125 \times 14 + 150 \times 13 + 250 \times 10$
 $= \text{Rs. } 12,200$

2) obtain an initial basic feasible solution to the following TP using the matrix minima method:-

	D ₁	D ₂	D ₃	D ₄	Capacity
O ₁	1	2	3	4	6
O ₂	4	3	2	0	8
O ₃	0	2	2	1	10
Demand	4	6	8	6	

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Solution:- Since $\sum_{i=1}^3 a_i = \sum_{j=1}^4 b_j = 24$, The TP has basic feasible

Solution

	D1	D2	D3	D4	
O1					6
	1	2	3	4	
O2					8
	4	3	2	0	
O3					10
	4	2	2	1	
	4	6	8	6	

	D2	D3	D4	
O1				6
	2	3	4	
O2				8
	3	2	0	
O3				6
	2	2	1	
	6	8	6	

	D2	D3	
O1			6
	2	3	
O2			2
	3	2	
O3			6
	2	2	
	6	8	

	D2	D3	
O2			2
	3	2	
O3			6
	2	2	
	6	8	

	D3	
O3		6
	2	
	6	

Hence the initial basic feasible solution is given in the following table:

	D1	D2	D3	D4
O1				
	1	2	3	4
O2				
	4	3	2	0
O3				
	4	0	2	2

$x_{12} = 6, x_{23} = 2, x_{24} = 6$
 $x_{31} = 4, x_{33} = 6$
 $m+n-1 = 3+4-1 = 6$

The number of basic variables are 5 $< m+n-1$
 ∴ This basic feasible solution is degenerate

The transportation cost according to this schedule is
 $Z = 6 \times 2 + 2 \times 2 + 6 \times 0 + 4 \times 0 + 6 \times 2 = 28$

3) Use Vogel's approximation method to obtain an initial basic feasible solution for the following TP:

	D	E	F	G	Available
A	11	13	17	14	250
B	16	18	14	10	300
C	21	24	13	10	400

Demand 200 225 275 250

Solution: Since total demand = 950 = Total availability
∴ This TP has an i.b.f.s.

	D	E	F	G	Row difference
A	200	13	17	14	250 (2)
B	16	18	14	10	300 (4)
C	21	24	13	10	400 (3)
	200	225	275	250	

*
Column difference (5) (5) (1) (0)

	E	F	G	Row Difference
A	50	17	14	500 (1)
B	18	14	10	300 (4)
C	24	13	10	400 (3)
	225	275	250	

*
Column diff (5) (1) (0)

	E	F	G	Row diff
B	175			300/25 (4)
	18	14	10	
C	24	13	10	400 (1)
	175	275	250	

Column diff (6)* (1) (0)

	F	G	Row diff
B		125	(4)*
	14	10	
C	13	10	(3)
	275	250	

Column diff (1) (0)

	F	G
C	275	125
	13	10
	275	125

An initial basic feasible solution is shown below:

	D	E	F	G
A	200	50		
	11	13	17	14
B		175		125
	16	18	14	10
C			275	125
	21	24	13	10

The initial basic solution

is $x_{11} = 200, x_{12} = 50$
 $x_{22} = 175, x_{24} = 125$
 $x_{33} = 275, x_{34} = 125$
 $m = 3$
 $n = 4$
 $m+n-1 = 6$

Also the initial transportation cost is

$$Z = 200 \times 11 + 50 \times 13 + 175 \times 18 + 125 \times 10 + 275 \times 13 + 125 \times 10 = 12075$$

4) Find an initial basic feasible solution to the following TP by using VAM:

	D ₁	D ₂	D ₃	D ₄	Supply
S ₁	20	25	28	31	200
S ₂	32	28	32	41	180
S ₃	18	35	24	32	110
Demand	150	40	180	170	

Solution: Since total demand = 540 \neq 490 = total supply.
So the TP is Unbalanced.

Supply is less & the difference between supply & demand is 50.

So introduce a dummy row with transportation cost of all the cells equals 0 & the corresponding supply is 50.

	D1	D2	D3	D4	Supply	Row diff
S1	20	25	28	31	200	(5)
S2	32	28	32	41	180	(4)
S3	18	35	24	32	110	(6)
dummy	0	0	0	50	500	(0)
Demand	150	40	180	170		
Column diff	(18)	(25)	(24)	(31)*		

	D1	D2	D3	D4	Supply	Row diff	
S1	20	25	28	31	200	(5)	
S2	32	28	32	41	180	(4)	
S3	110	18	35	24	32	110	(6)*
Demand	150	40	180	120			
Column diff	(2)	(3)	(4)	(1)			

	D1	D2	D3	D4	Supply	Row diff	
S1	40	20	25	28	31	200	160 (5)
S2	32	28	32	41	180	(4)	
Demand	40	40	180	120			
Column diff	(12)*	(3)	(4)	(10)			

(36)

	D ₂	D ₃	D ₄	Row diff
S ₁	25	28	31	160 (3)
S ₂	28	32	41	180 (4)
	40	180	120	

Column diff (3) (4) (10)*

	D ₂	D ₃	Row diff
S ₁	25	28	40 (3)
S ₂	28	32	180 (4)*
	40	180	

Column diff (3) (4)

	D ₃	
S ₁	40	40
S ₂	140	140
	180	140

The initial basic feasible allocation is shown below:

40		25	40	28	120	
	20	40	140			31
	32	28		32		41
110		18	35	24		32
				50		
	0	0	0	0		0

The number of allocated cells is $7 = m+n-1$

The solution is non-degenerate

The Transportation cost associated with the above allocation

$$Z = 40 \times 20 + 40 \times 28 + 120 \times 31 + 40 \times 28 + 140 \times 32 + 110 \times 18 + 0 \times 50 = 13,220.$$

Test for optimality:- After finding the initial basic feasible solution to a T.P., the next question is how to arrive at the optimal solution. For the optimum solution, we follow the steps given below:

- (i) Determining the net evaluations for non-basic variables (unoccupied cells).
- (ii) Choosing the net evaluation which may improve the current basic feasible solution.
- (iii) Determining the current the current occupied cells which leaves the basis (i.e., becoming unoccupied cell) and repeat steps (i) through (iii) until an optimum solution is attained.

Determining Net evaluations (U-V method):-

For each supply centre S_i , introduce a variable U_i , which is called location rent. and similarly, for each demand centre D_j , introduce a variable V_j , which is termed as market price.

The values of these $(m+n)$ variables U_i & V_j are determined by fact that

$$\text{"At the occupied cells } (i, j), U_i + V_j = C_{ij}\text{"}$$

By using the above fact, we can get the values of U_i and V_j by taking the value of any one of U_i and V_j to be zero.

Now compute the net evaluations $Z_{ij} - C_{ij} = U_i + V_j - C_{ij}$ at all the unoccupied cells (i, j) .

Selecting the entering variable:-

If all $Z_{ij} - C_{ij} \leq 0$, then the current solution is optimum, otherwise choose the nonbasic variable x_{rs} whose $Z_{rs} - C_{rs}$ is maximum positive.

This x_{rs} becomes the new basic variables. Teacher's Signature _____

$$Z_{rs} - C_{rs} = \max_{\{i, j\}} \{Z_{ij} - C_{ij} > 0\}$$

Selecting the leaving Variable:-

Form a closed loop which starts and ends at the cell (r, s) connecting only the basic cells. Allocate a quantity " θ " to the cell (r, s) . Start at the cell (r, s) , add and subtract the quantity θ in the closed loops successively. Now $\theta = \text{minimum of allocations made in the cells having a "-" sign}$.

Add this value of θ to all cells having "+" sign and subtract θ from the cells having a "-" sign. One of the cells in the loop becomes unoccupied cells and the corresponding variable x_{pq} leaves the basis.

(5) Removing degeneracy in TP:- If the number of occupied cells is less than $m+n-1$, then the solution is degenerate. To resolve degeneracy, a very small quantity $\epsilon > 0$ is allocated in an unoccupied cells so as to get $m+n-1$ number of occupied cells. Once the purpose is over, ϵ must be removed from the scene.

Transportation Algorithm (MODI method):-

Step 1:- Find the initial basic feasible solution by using North-west corner rule, Matrix minima method or VAM method.

2. Check the number of occupied cells. If there are less than $m+n-1$, there exists degeneracy and we introduce a very small quantity $\epsilon > 0$ in suitable independent positions so that the number of occupied cells is exactly equal to $m+n-1$.

3. For each occupied cells (i, j) , solve the system of equations $u_i + v_j = c_{ij}$ starting initially with some $u_i = 0$ or $v_j = 0$ and entering successively the values of u_i and v_j in the transportation table margins.

4. Compute the net evaluations $Z_{ij} - C_{ij} = U_i + V_j - C_{ij}$ for all unoccupied cells and enter them in lower left corner of the corresponding cells.
5. Examine the sign of each $Z_{ij} - C_{ij}$. If all $Z_{ij} - C_{ij} \leq 0$, then the current solution is optimum. If at least one $Z_{ij} - C_{ij} > 0$, select the unoccupied cell (r, s) having the largest +ve net evaluation to the basis.
6. Let (r, s) be the new occupied cell and allocate an unknown quantity θ to the cell (r, s) . Identify the loop that start and ends at the cell (r, s) and connects some of the basic cells. Add and subtract interchangeably θ to and from the transition cells of the loop in such a way that the rim requirements remains satisfied.
7. Assign a maximum value to θ in such a way that the value of one basic variable becomes zero and the other basic variables in the loop remains non-negative. The basic cell (p, q) whose allocation has been reduced to zero, leave the basis.
8. Return to step 3 and repeat the process until an optimum basic feasible solution has been obtained.

Problems:- 1) Find the starting solution the following TP by using Vogel's Approximation method and also obtain the optimum solution:-

	D ₁	D ₂	D ₃	D ₄	Supply
S ₁	3	7	6	4	5
S ₂	2	4	3	2	2
S ₃	4	3	8	5	3
Demand	3	3	2	2	

situation: Step 1. (IBFS).

	D ₁	D ₂	D ₃	D ₄	Row difference
S ₁	3			2	5 2 0 (1) (1) (1) (1)*
S ₂		3	7	6	4 2E ₁ 0 (1) (2) - -
S ₃			2	E ₁	3E ₂ (1) (1) (1) (1)
	4	3	8	5	
	3 ₀	3 ₀	2 ₀	2 ₀	

Column difference

(1)	(1)	(3)*	(2)
(1)	(1)	-	(2)*
(1)	(4)*	-	(1)
(1)	-	-	(1)

The initial basic feasible solutions are $x_{11} = 3, x_{14} = 2$
 $x_{23} = 2, x_{24} = \epsilon_1, x_{32} = 3, x_{34} = \epsilon_2$.

The initial transportation cost is $Z = 3 \times 3 + 2 \times 4 + 2 \times 3 + 2\epsilon_1 + 3 \times 3 + 5\epsilon_2 = 32 + 2\epsilon_1 + 5\epsilon_2$
 $Z = 32$ as $\epsilon_1 \rightarrow 0$ & $\epsilon_2 \rightarrow 0$.

Step 2 The IBFS is degenerate & to overcome this, we introduce small quantities ϵ_1 & ϵ_2 at the unoccupied cells (2,4) and (3,4) respectively.

Step 3

	D ₁	D ₂	D ₃	D ₄
S ₁	3			2
S ₂		3	7	6
S ₃			2	E ₁
	4	3	8	5

$v_1 = -1, v_2 = -2, v_3 = 1, v_4 = 0$

$u_1 = 4$
 $u_2 = 2$
 $u_3 = 5$

At the occupied cells
 $u_i + v_j = c_{ij}$

Take first $v_4 = 0$.

Step 4: At the unoccupied cells,
 $Z_{ij} - c_{ij} = u_i + v_j - c_{ij}$

$u_1 + v_3 = 5$

Step 5: Since all $Z_{ij} - C_{ij} \leq 0$ at the unoccupied cells, the current solution is optimum.

The optimum allocations are $x_{11} = 3$, $x_{14} = 2$, $x_{32} = 3$, $x_{23} = 2$ and minimum transportation cost is $Z = 32$.

2. Given $x_{13} = 50$ units, $x_{14} = 20$ units, $x_{21} = 55$ units, $x_{31} = 30$ units, $x_{32} = 35$ units and $x_{34} = 25$ units. Is it an optimal solution to the T.P.:

	Available units			
6	1	9	3	70
11	5	2	8	55
10	12	4	7	90

Required units: 85 35 50 45

If not, modify it to obtain a better feasible solution.

Solution:-

		50	20		
0	6	7	1	9	3
55					
	11	8	5	12	2
30		35			25
	10		12	9	4
					7
$v_1 = 10$	$v_2 = 12$	$v_3 = 13$	$v_4 = 7$		

$$m+n-1 = 3+4-1 = 6 = \text{no. of allocations}$$

\therefore given solution is non-degenerate.

At the occupied cells

$$u_i + v_j = c_{ij}$$

Take $u_3 = 0$ initially.

At the unoccupied cells,

$$\text{net evaluation } z_{ij} - c_{ij} = u_i + v_j - c_{ij}$$

All $Z_{ij} - c_{ij}$ is not less than or equal to zero.

\therefore Given solution is not an optimal solution.

maximum of +ve $(Z_{ij} - c_{ij})$ is 12 which is in the cell (2,3)

$\therefore x_{23}$ is the entering variable & allocate a +ve unknown quantity " θ " at the cell (2,3). Form a loop which starts and ends at the cell (2,3).

Select $\theta = \min \{ \text{allocations in } "-\theta" \text{ cells} \} = \min \{ 55, 25, 50 \} = 25$
Add $\theta = 25$ to the allocations at the "+ θ " cells & subtract $\theta = 25$ from allocations at the "- θ " cells.

	+θ	25 - θ	45	
12	6	19	1	9
30 - θ		25	+θ	3
55	11	8	5	2
+θ	35	-θ		-12
10	12	-3	4	-12
				7

$v_1 = 18, v_2 = 20, v_3 = 9, v_4 = 3$

$u_1 = 0$
 $u_2 = -7$
 $u_3 = -8$

Again no. of allocations = $6 = m+n-1$.
 Solution is non degenerate.

At the occupied cells, $u_i + v_j = c_{ij}$
 Taking initially $u_1 = 0$
 At the unoccupied cells,
 $Z_{ij} - c_{ij} = u_i + v_j - c_{ij}$

All $Z_{ij} - c_{ij}$ is not less than or equal to zero.

∴ Current allocations is not optimal.

Maximum of +ve $Z_{ij} - c_{ij}$ is 19 which is in the cell (1,2).

x_{12} is entering the basis. Form a closed loop which starts and ends at the cell (1,2). Starting at cell (1,2), allocate +θ & -θ successively alternatively in the closed loop.

choose $\theta = \min\{\text{allocations in the "-\theta" cells}\} = \min\{25, 30, 35\} = 25$
 Add $\theta = 25$ in the "+θ" cells & subtract $\theta = 25$ from "-θ" cells".

	25		45	
-7	6	1	-19	9
5	-θ	+θ	50	3
8	11	8	5	2
80	+θ	10	-θ	
10		12	-3	4
				7

$v_1 = -1, v_2 = 1, v_3 = -10, v_4 = 3$

$u_1 = 0$
 $u_2 = 12$
 $u_3 = 11$

No. of allocations = $6 = m+n-1$.
 Solution is non-degenerate.

All $Z_{ij} - c_{ij}$ is not less than or equal to zero
 current allocation is not optimal

$\max\{+ve (Z_{ij} - c_{ij})\} = 8$ at the cell (2,2).

∴ x_{22} is the entering variable

$\theta = \min\{\text{allocations in "-\theta" cells}\} = 5$

∴ Add $\theta = 5$ in the "+θ" cell & subtract $\theta = 5$ from "-θ" cell.

	25 + θ		45 - θ	
-7	6	1	+11	9
	5		50	3
-8	11	5	2	-1
85	5 - θ		+θ	8
10		12	5	4
				7

$v_1 = -2, v_2 = 0, v_3 = -3, v_4 = 2$

$u_1 = 1$
 $u_2 = 5$
 $u_3 = 12$

No. of allocations = $6 = m+n-1$.
 Solution is non-degenerate.

∴ Test current solution for optimality.

All $Z_{ij} - c_{ij}$ is not less than or equal to zero
 current allocation is not optimal

$\max\{+ve (Z_{ij} - c_{ij})\} = 7$ at cell (3,4) ∴ x_{34} enters the basis.

$\theta = \min\{\text{allocations in "-\theta" cells}\} = 5$

		30		40	
0	6	1	-11	9	3
		5	50		
-1	11		5	2	-1
85				5	8
	10	-7	12	-2	4
					7
$v_1=6$	$v_2=1$	$v_3=-2$	$v_4=3$		

No. of allocations = $6 = m+n-1$
 Solution is non-degenerate.
 Test the current allocations for optimality.

$$u_1 = 0$$

$$u_2 = 4$$

$$u_3 = 4$$

$$\text{All } Z_{ij} - C_{ij} \leq 0.$$

The current allocation is optimal.

\therefore The optimal allocation is $x_{12} = 30$, $x_{14} = 40$, $x_{22} = 5$, $x_{23} = 50$,
 $x_{31} = 85$, $x_{34} = 5$ and the minimum transportation cost
 is $Z = 30 \times 1 + 40 \times 3 + 5 \times 5 + 50 \times 2 + 85 \times 10 + 5 \times 7 = \text{Rs. } 1160.$

- 3) ABC Limited has three production shops supplying a product to five warehouses. The cost of production varies from shop to shop and cost of transportation from one shop to a warehouse also varies. Each shop has a specific production capacity and each warehouse has certain amount of requirements. The cost of transportation are as given below:

Shop	Warehouses					Supply
	I	II	III	IV	V	
A	6	4	4	7	5	100
B	5	6	7	4	8	125
C	3	4	6	3	4	175
Demand	60	80	85	105	70	

The cost of manufacturing of the product at different production shop is

Shop	variable cost	Fixed cost
A	14	7000
B	16	4000
C	15	5000

Find the optimum quantity to be supplied from each shop to different warehouses at a minimum total cost.

Solution:- In the transportation cost matrix, the data pertaining fixed cost is of no use. we shall include only the transportation cost plus the variable cost as shown below:

Shop	Warehouses					Supply
	I	II	III	IV	V	
A	6+14=20	4+14=18	4+14=18	7+14=21	5+14=19	100
B	5+16=21	6+16=22	7+16=23	4+16=20	8+16=24	125
C	3+15=18	4+15=19	6+15=21	3+15=18	4+15=19	175
Demand	60	80	85	105	70	

Total Supply = 400 = total demand \Rightarrow TP is balanced.

Using VAM, the following initial basic feasible solution is obtained.

	Supply	Row difference																																				
<table border="1"> <tr> <td></td> <td>15</td> <td>85</td> <td></td> <td></td> <td></td> </tr> <tr> <td>20</td> <td></td> <td>18</td> <td>18</td> <td>21</td> <td>19</td> </tr> <tr> <td></td> <td>20</td> <td></td> <td></td> <td>105</td> <td></td> </tr> <tr> <td>21</td> <td>22</td> <td>23</td> <td></td> <td>20</td> <td>24</td> </tr> <tr> <td>60</td> <td>45</td> <td></td> <td></td> <td>70</td> <td></td> </tr> <tr> <td></td> <td>18</td> <td>19</td> <td>21</td> <td>18</td> <td>19</td> </tr> </table>		15	85				20		18	18	21	19		20			105		21	22	23		20	24	60	45			70			18	19	21	18	19	<p>100 150</p> <p>125 200</p> <p>175 105 450</p>	<p>(1) (2) (2) (3)* - -</p> <p>(1) (1) (1) (2) (2)</p> <p>(1) (1) (1) (1) (1) -</p>
	15	85																																				
20		18	18	21	19																																	
	20			105																																		
21	22	23		20	24																																	
60	45			70																																		
	18	19	21	18	19																																	
<p>Demand 60 80 65 85 105 70</p> <p>(2) (1) (3) (2) (5)*</p>																																						
<p>column difference (2) (1) (3)* (2) -</p> <p>(2)* (1) - (2) -</p> <p>- (1) - (2) -</p> <p>- (3)* - (2) -</p>																																						

No. of allocations = 7 = m+n-1 & \therefore the solution is non-degenerate.
 Test the solutions for optimality.

	15	85					
-3	20	18	18	-5	21	-1	19
	20			105			
0	21	22	-1	23	20	-2	24
60	45			70			
	18	19	-2	21	-1	18	19
$v_1=18$	$v_2=19$	$v_3=19$	$v_4=17$	$v_5=19$			

All $Z_{ij} - C_{ij} \leq 0$.
 The current allocation is optimal allocation.
 The optimal solution is
 $x_{12} = 15, x_{13} = 85, x_{22} = 20,$
 $x_{24} = 105, x_{31} = 60, x_{32} = 45, x_{35} = 70$
 The minimum total cost is
 = Rs 7605.

optimum transport is

Shop A \rightarrow 15 units for warehouse II, 85 units for warehouse III
 Shop B \rightarrow 20 units for warehouse II, 105 units for warehouse IV
 Shop C \rightarrow 60 units for warehouse I, 45 units for warehouse II, 70 units
 for warehouse V.

— x —

Assignment Problem

The assignment problem is a special case of the TP in which the objective is to assign a number of resources to the equal number of activities at a minimum cost (or maximum profit).

An assignment problem is completely degenerate form of a TP. The units available at each origin (resource) and units demanded at each destination (activity) are equal to one. That means exactly one occupied cell in each row and each column of TP.

Mathematical formulation of Assignment Problem — consider a problem of assignment of "n" resources (workers) to "n" activities (jobs) so as to minimize the overall cost or time in such a way that each resource can associate with one and only one job. The cost (or effectiveness) matrix (c_{ij}) is given as under:

	Activity (JOB)				
	A ₁	A ₂	...	A _n	Availability
R ₁	c ₁₁	c ₁₂	...	c _{1n}	1
Resources R ₂	c ₂₁	c ₂₂	...	c _{2n}	1
(WORKERS)	⋮	⋮	⋮	⋮	⋮
R _n	c _{n1}	c _{n2}	...	c _{nn}	1
Required	1	1	...	1	

This cost matrix is same as that of a TP except that availability at each of resources and the requirement at each of the destination is unity (due to the fact that assignments are made on a one-to-one basis).

Let x_{ij} = assignment of i^{th} resources (Workers) to the j^{th} activity (JOB), such that

$$x_{ij} = \begin{cases} 1 & \text{if resources } i \text{ is assign to } j^{\text{th}} \text{ activity} \\ 0 & \text{otherwise.} \end{cases}$$

∴ The mathematical formulation of AP is

minimize $Z = \sum_{i=1}^n \sum_{j=1}^n c_{ij} x_{ij}$ subject to the constraints

$$\sum_{j=1}^n x_{ij} = 1 \text{ for } i=1 \text{ to } n, \quad \sum_{i=1}^n x_{ij} = 1 \text{ for } j=1 \text{ to } n.$$

(Here c_{ij} - cost associated with assigning i^{th} resources to j^{th} activity).

Theorem (Reduction theorem):- In an AP, if we add or subtract a constant to every element of any row (or column) of the cost matrix (c_{ij}), then an assignment that minimizes the total cost of one matrix also minimizes the total cost on the other matrix.

Theorem If $c_{ij} \geq 0$ such that minimum $\sum_{i=1}^n \sum_{j=1}^n c_{ij} x_{ij} = 0$, the feasible solution x_{ij} provides an optimum solution.

Solution of an AP by Hungarian assignment method:-

Step 1: Determine the cost table from given problem.

- (i) If the number of sources = number of destinations, go to step 3.
- (ii) If the number of sources \neq number of destination, go to step 2.

Step 2:- Add a dummy sources or destinations so that the cost table becomes square matrix. The cost entries of dummy source or destination are always zero.

Step 3: Locate the smallest element in each row of the given cost matrix and then subtract it from each element of that row.

Step 4:- In the reduced matrix obtained from step 3, locate smallest element of each column and subtract it from every element of that column. Now each row & column has at least zero.

Step 5:- In the modified matrix obtained from Step 4, Search for an optimal assignments as follows:

- (a) Examine the rows successively until a row with a single zero is found. Encircle this zero (\square) and cross off (\times) all other zeros in its column. Continue in this manner until all the rows have been taken care of.
- (b) Repeat the procedure for each column of reduced matrix.
- (c) If a row and/or column has two or more zeros and one cannot be chosen by inspection, then assign arbitrary any one of these zeros and cross off all other zeros of that row / column.
- (d) Repeat (a) through (c) above successively until the chain of assigning (\square) or cross (\times) ends.

Step 6: If the number of assignments (\square) is equal to "n" (the number order of the matrix), an optimal assign is reached. If the number of assignment (\square) is less than "n", goto Step 7.

Step 7:- Draw the minimum number of horizontal and or vertical lines to cover all the zeros of the reduced matrix.

Step 8:- Develop the new revised cost matrix as follows:

- (a) Find the smallest element of the reduced matrix not covered by any of the lines.
- (b) Subtract this element from all the uncovered elements and add the same to all the elements lying at the intersection of any two lines.

Step 9:- Goto ~~Step 6~~ Step 6 and repeat the procedure until an optimum solution is attained.

1). A departmental head has 4 subordinates and 4 tasks to be performed. The subordinates differ in efficiency and the tasks differ in their intrinsic difficulty. His estimate of time each man would take to perform each task, is given in the matrix below:

~~Men~~

Tasks	Men			
	E	F	G	H
A	18	26	17	11
B	13	28	14	26
C	38	19	18	15
D	19	26	24	10

How should the tasks be allocated, one to a man, so as to minimize the total man hours?

Solution Here number of tasks = 4 = number of subordinates, the AP is balanced (we move to step 3).

Subtract smallest element of each row from all elements in that row

7	15	6	0
0	15	1	13
23	4	3	0
9	16	14	0

Subtract smallest element of each column in the reduced matrix from all elements in that column

7	11	5	0
0	11	0	13
23	0	2	0
9	12	13	0

Test for optimality

7	11	5	0
0	11	0	13
23	0	2	0
9	12	13	0

Number of assignments (\square) is $3 \neq 4$.
 Now cover all zeros by drawing minimum number of horizontal and or vertical lines.

7	11	5	0
0	11	0	13
23	0	2	0
9	12	13	0

Develop a number of new cost matrix. Smallest element among uncovered element is 5. Subtract 5 from all the uncovered elements and add 5 to the elements at the intersection of two lines.

2	6	0	0
0	11	0	18
23	0	2	5
4	7	8	0

Do the assignment (\square or \times) now

	E	F	G	H
A	2	6	\square	\times
B	\square	11	\times	18
C	23	\square	2	5
D	4	7	8	\square

Number of assignment is 4 = order of the matrix.

\therefore optimum is reached and the optimal assignments

is A \rightarrow G

B \rightarrow E

C \rightarrow F

D \rightarrow H

The minimum total time for optimal assignment is $17 + 13 + 19 + 10 = 59$ Man-Hour.

2) A company wishes to assign 3 jobs to 3 machines in such a way that each job is assigned to some machine and no m/c works on more than one job. The cost of assigning job i to m/c j is given by the matrix below:

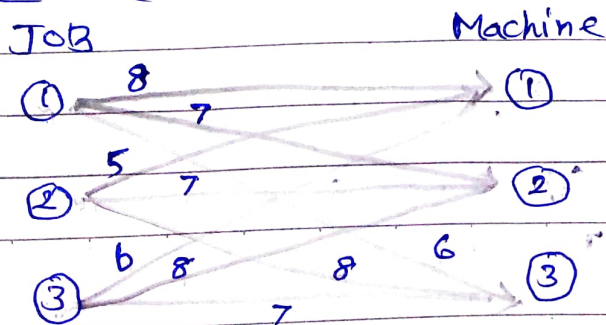
Draw the associated network. Formulate

the network LPP and find the minimum

cost of making assignment.

Job \ m/c	1	2	3
1	8	7	6
2	5	7	8
3	6	8	7

Solution:- (a) Network formulation:-



Teacher's Signature _____

(b) LPP formulation:-

$$x_{ij} = \begin{cases} 1 & \text{if assigning } i^{\text{th}} \text{ job to } j^{\text{th}} \text{ machine} \\ 0 & \text{otherwise} \end{cases}$$

$$\text{Minimize } z = (8x_{11} + 7x_{12} + 6x_{13}) + (5x_{21} + 7x_{22} + 8x_{23}) + (6x_{31} + 8x_{32} + 7x_{33}) \text{ subject to the}$$

Constraints

$$x_{i1} + x_{i2} + x_{i3} = 1, \quad (i=1, 2, 3)$$

$$x_{1j} + x_{2j} + x_{3j} = 1 \quad (j=1, 2, 3)$$

(c) Optimum assignment:-

2	1	0
0	2	3
0	2	1

2	0	0
0	1	3
0	1	1

2	0	0
0	1	3
0	1	1

Number of assignments (\square) is $= 2 <$ order of the matrix $= 3$.

This assignment is not optimum.

Develop a new cost matrix. cover all zeros by drawing minimum number of horizontal & or vertical lines.

2	0	0
0	1	3
0	1	1

Smallest uncovered element $= 1$.

Subtract 1 from all uncovered elements and add 1 to the elements at point of intersection of two lines.

Intersection of two lines.

3	0	0
0	0	2
0	0	0

Assign (\square or \times) to zeros.

3	0	0
0	0	2
0	0	0

Number of assignments (\square) $= 3 =$ order of the matrix.
 \therefore optimum is reached. optimum assignment is

Job 1 \rightarrow M/c 2

Job 2 \rightarrow M/c 1

Job 3 \rightarrow M/c 3

Total minimum cost $= 7 + 5 + 7 = 19$

3. A department head has 4 tasks to be performed and 3 subordinates, the subordinates differ in efficiency. The estimates of time, each subordinate would take to perform is given in the following matrix. How should he allocate the task one to each man, so as to minimize the total man-hours.

	1	2	Men 3
Task I	9	26	15
Task II	13	27	6
Task III	35	20	15
Task IV	18	30	20

Solution:- no. of task \neq no. of men.

Introduce a dummy man 4 with all cost ~~eq~~ times = 0.

	1	2	3	4
I	9	26	15	0
II	13	27	6	0
III	35	20	15	0
IV	18	30	20	0

0	6	9	0
4	7	0	0
26	0	9	0
9	10	14	0

Number of assignments (\square) is 4 = order of the matrix

The optimum is reached.

The optimum assignment is Task I \rightarrow Man 1, Task II \rightarrow Man 2,

Task III \rightarrow Man 2, Task IV \rightarrow dummy man, which means

Task IV to be done. The minimum total time

is $9 + 6 + 20 = 35$ man-hours

Home work : 1103

4) A pharmaceutical company is producing a single product and is selling it through 5 agencies located in different cities. All of sudden, there is a demand for the product in another 5 cities not having any agency of the company. The company is faced with the problem of deciding on how to assign the existing agencies to despatch the product to needy cities in such a way that the travelling distance is minimised. The distance between the surplus and deficit cities (in km) is given in the following table:

		Deficit cities				
		a	b	c	d	e
Surplus cities	A	85	75	65	125	75
	B	90	78	66	132	78
	C	75	66	57	114	69
	D	80	72	60	120	72
	E	76	64	56	112	68

Determine the optimum assignment schedule.

5 Four professors are each capable of teaching any one of the four different courses. class preparation time in hours for different topics varies from professor to professor and is given in the table below. Each professor is assigned only one course. Determine an assignment schedule so as to minimize the total course preparation time for all courses:

professors	Linear programming	Queueing theory	Dynamic programme	Regression Analysis
A	2	10	9	7
B	15	4	14	8
C	13	14	16	11
D	4	15	13	9

Special cases in assignment problems

Maximization case in assignment problem: - In some cases, the payoff elements of the assignment problem may represent revenues or profits instead of costs so that the objective will be to maximize the total revenue or profit. The Hungarian method explained earlier can also be used for maximization case. The problem of maximization can be converted into a minimization one by selecting the largest element of the profit matrix and then subtracting it from it all the elements of the matrix. This gives us an opportunity loss matrix. We then proceed as usual and obtain the optimum assignment schedule. Maximum profit is then obtained by restoring the original values of those cells in which the assignments have been made.

prohibited assignments: - Sometimes due to certain reasons, a particular resources (say a man or a machine) cannot be assigned to perform a particular activity (say a territory or a job). In such cases, the cost of performing that particular activity by a particular resources is considered to be very large (written as M or ∞) so as to prohibit the entry of this pair of resource - activity into the final solution.

- 1) A manufacturing company has four zones A, B, C, D and four sales engineers P, Q, R, S respectively for assignment. Since the zones are not equally rich in sales potential, it is estimated that a particular engineer operating in particular zone will bring the following sales: Zone A: ₹ 20,000; Zone B: ₹ 33,000; Zone C: ₹ 29,000; Zone D: ₹ 46,000.

The engineers are having different sales ability. Working under same conditions, their yearly sales are proportional to 14, 9, 11 and 8 respectively. The criteria of maximum expected total sales is to be met by assigning the best engineers to the richest zone, the next best to the next richest zone and so on. Find the optimum assignment and the maximum sales.

Solution: -

Take Rs.1000 as one unit.

Zone A: 420; Zone B: 336; Zone C: 294; Zone D: 462.

Sales by engineer P: $\frac{14}{14+9+11+8}$ x sales in particular zone.

" Q: $\frac{9}{42}$ x sales in particular zone

" R: $\frac{11}{42}$ x sales in particular zone

" S: $\frac{8}{42}$ x sales in particular zone.

∴ The effectiveness table is

		ZONE			
		A	B	C	D
Sales engineer	P	140	112	98	154
	Q	90	72	63	99
	R	110	88	77	121
	S	80	64	56	88

The objective is to assign sales engineers to zones so as to maximize the sales.

So convert this maximization problem into minimization problem by subtracting from the highest element (ie) 154, all the elements of the given table. The resulting opportunity loss matrix is:

	A	B	C	D
P	14	42	56	0
Q	64	82	91	55
R	44	66	77	33
S	74	90	98	66

Apply Hungarian method for optimum assignments. Subtract minimum element of each row from all the element of that row. Then subtract the minimum element of each column from all the element of that column.

14	4	2	56	0
9	27	36	0	
11	33	44	0	
8	24	32	0	

6	18	24	0
1	3	4	0
3	9	12	0
0	0	0	0

Make assignments now in the reduced matrix.

6	18	24	0
1	3	4	0
3	9	12	0
0	0	0	0

Now number of assignments (0) = 2 < order of the matrix optimum is not reached. So

Modify the matrix. Cover all zeros by drawing minimum number of horizontal (or) vertical lines.

6	18	24	0
1	3	4	0
3	9	12	0
0	0	0	0

The smallest uncovered element is 1 and ∴ Subtract 1 from all the uncovered elements and add 1 to the element at the intersection of two lines.

Make assignments (0) now.

5	17	23	0
0	2	3	0
2	8	11	0
0	0	0	1

5	17	23	0
0	2	3	0
2	8	11	0
0	0	0	1

Number of assignments is 3 < order of the matrix optimum is not reached. Modify the table.

The smallest uncovered element = 2.

5	17	23	0
0	2	3	0
2	8	11	0
0	0	0	1

3	15	21	0
0	0	0	2
0	6	9	0
0	0	0	3

Number of assignments = 4, equal to the order of matrix. optimum is reached optimum assignment is P → D; Q → B; R → A; S → C.

Maximum Sales = 154 + 72 + 110 + 56

= Rs. 392 Thousands . Teacher's Signature _____

2) The following is the cost matrix of assigning 4 clerks to 4 key punching jobs. Find the optimal assignment if clerk I cannot be assigned to job 1. What is the minimum total cost.

clerk	JOB			
	1	2	3	4
1	-	5	2	0
2	4	7	5	6
3	5	8	4	3
4	3	6	6	2

Solution:

-	5	2	0
0	3	1	2
2	5	1	0
1	4	4	0

-	2	1	0
0	0	0	2
2	2	0	0
1	1	3	0

-	2	1	0
0	0	0	2
2	2	0	0
1	1	3	0

Number of assignments = 3 < 4 = order of the matrix.

Modify the matrix.

-	2	1	0
0	0	0	2
2	2	0	0
1	1	3	0

-	1	0	0
0	0	0	3
2	2	0	1
0	0	2	0

Number of assignment is 4 = order of the matrix
Optimum is reached.

Optimum assignment is
 clerk 1 → Job 4
 " 2 → " 1
 " 3 → " 3
 " 4 → " 2

Minimum total cost = 0 + 4 + 4 + 6 = 14

Home work: 1127, 1128, 1129.