

REVIEW PROBLEM 3.2

DROX Ltd manufactures three products:

	PRODUCT A	PRODUCT B	PRODUCT C
Direct materials	10 kg per unit	8 kg per unit	15 kg per unit
Selling price per unit	€140	€125	€150
Demand	10,000 units	12,000 units	3,000 units

Direct materials' purchasing price: €8 per kg.

The availability of direct materials is limited to 200,000 kg.

REQUIRED: Calculate the optimal production plan.

