Economic Order Quantity Problems PDF (1-5)

Problem # 1: Calculate Economic Order Quantity (EOQ) from the following:

Annual consumption	6,000 units
Cost of ordering	Rs. 60
Carrying costs	Rs. 2

Solution:

Problem # 2: From the following particulars, calculate the Economic Order Quantity (EOQ):

Annual requirements	1,600 units	Cost of materials per units	Rs.40
Cost of placing and receiving one order:	Rs. 50	Annual carrying cost for inventory value	10%

Solution:

Problem # 3: Calculate EOQ from the following?

Consumption during the year = 600 units	Ordering cost Rs. 12 per order
Carrying cost 20%	Selling Price per unit Rs. 20

Solution:

Problem # 4: A manufacturer buys certain equipment form suppliers at Rs. 30 per unit. Total annual needs are 800 units. The following further data are available:

Annual return on investments 10%   Rent, insurance, storing per unit per year Rs. 2

Cost of placing an order Rs. 100

Required: EOQ

Solution:

Problem # 5: From the figures given below, calculate Economic Order Quantity (EOQ) and Total cost at EOQ?

Total consumption of material per year   10,000 kgs   Buying cost per order Rs. 50

Unit cost of material   Rs. 2 per kg   Carrying and storage cost 8%

Solution: