

Answers for study questions on Aggregate planning

1.

Chase strategy

Total cost:

Wages: 2636x2000 = 5272000

Hiring: 754x3000 = 2262000

Dismissals: 134x2500 = 335000

Inventory: 610x10 = 6100

Total cost = 7875100

Level strategy

Total cost:

Wages: 2466x2000 = 4932000

Hiring: 111x3000 = 333000

Dismissals: 0x2500 = 0

Inventory: 6551x10 = 65510

Total cost = 5330510

Conclusion: Level strategy is favorable, being 2.5 million € cheaper

2.

The answer is present in the book, pp. 527 - 541.