Answers to Assigned Problems

Chapter 6

1. (a) EOQ (former) = 40 units
   (b) Setup costs = $0.125

2. (a) Setup time = 0.35 hours = 21 minutes

3. Setup time = 1.43 seconds

4. (a) Minimum batch size = 25 parts/setup
   (b) 70.60 minutes per setup (should use 5 setups)

5. Current situation

   Production labor and setup costs = $92.50
   Total production and setup cost = $ 109.61
   Total cost / unit = $2.19

   Proposed setup time = 27.43 minutes