

Transportation Problem:-

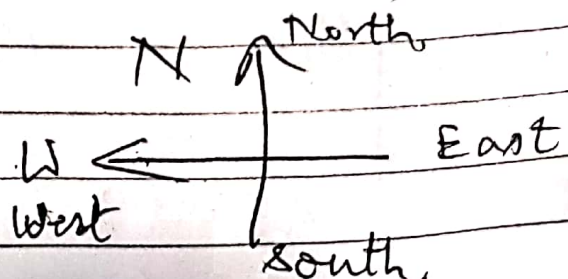
- It deals with sources where a supply of some commodity is available and destination where the commodity is demanded.
- It intended to find a least cost route from sources to destinations.

Methods/Techniques to find least cost route:-

Initial Basic Feasible Solution:

- North-West corner Method.
- Least cost Method.
- Vogel's Method.

North-West corner Method:- (NWC = North-west-corner)



Method with Example

Example problem

Cost Matrix and Demand/Supply table.

From \ To	D1	D2	D3	D4	Supply/availability
S1	19	7	3	21	100
S2	15	21	18	6	300
S3	11	14	15	22	200
	150	100	200	150	600

Demand Row

$$\sum \text{of Demand} = 600$$

It is a Balanced Problem

$$\sum \text{of Supply} = 600$$

→ Start with the NWC of cost Matrix table and consider the cell in the first row and column.

→ Allocate minimum of [Demand] [Supply] for this cell.

→ Remove the row or column corresponding to this allocation from further consideration.

→ Repeat in zigzag manner until the last source and destination is covered.

	D1	D2	D3	D4	
S1	100				100 ←
S2					300
S3					200
	150	100	200	150	

↑

① N-W cell is $S_1 D_1$
and Minimum of $(100, 150) = 100$

Allocate in cell $[1, 1] = 100$
and Remove/shade the row

Now the remaining table is:

	D1	D2	D3	D4	
S2	50				300
S3	50				200
	150	100	200	150	

↑ $[150 - 100 = 50] = \text{Remaining Demand.}$

Now New N-W corner cell
is $[S_2 D_1]$

and minimum of New Demand/Supply
 $= \min(50, 300) = 50$

Now remove/cross this column for further consideration.

and update new supply/Demand table.

Repeating in this way we get following allocation in various routes for transportation:

	D1	D2	D3	D4	
S1	19 <u>100</u>	7	3	21	100
S2	15 <u>50</u>	21 <u>100</u>	18 <u>150</u>	6	300
S3	11	14	15 <u>50</u>	22 <u>150</u>	200
	150	100	200	150	

$$\begin{aligned}
 \text{Total Transportation Cost} &= \\
 &= 19 \times 100 + 15 \times 50 + 21 \times 100 \\
 &\quad + 18 \times 150 + 15 \times 50 + 22 \times 150 \\
 &= 1900 + 750 + 2100 + 2700 \\
 &\quad + 750 + 3300 = 11500
 \end{aligned}$$

Note: this is a feasible solution/cost Not optimal one.