Ergonomics Inc. sells ergonomically designed office chairs. The company has the following information:
Average demand = 36 units per day
Average lead time = 50 days
Item unit cost = $70 for orders of less than 400 units
Item unit cost = $68 for orders of 400 units or more
Ordering cost = $45
Inventory carrying cost = 25%
The business year is 250 days
Assume there is no uncertainty at all about the demand or the lead time.

a. Calculate EOQ if unit cost is $70 and $68. (Note: These EOQs do not need to be feasible in their price range.) **(Round up your answers to the next whole number.)**

	EOQ	
Unit cost at $70		units
Unit cost at $68		units

b. Calculate annual ordering costs for each alternative? **(Round your answers to 2 decimal places.)**

	Annual Ordering Cost
Unit cost at $70	
Unit cost at $68	

c. Calculate annual inventory carrying costs for each alternative? **(Round your answers to 2 decimal places.)**

	Annual Inventory Carrying Cost
Unit cost at $70	
Unit cost at $68	

d. Calculate annual product costs for each alternative?

	Annual Product Cost
Unit cost at $70	
Unit cost at $68	