

$$EOQ = \sqrt{\frac{2 \times A \times O}{CC \text{ pupa}}}$$

$$= \sqrt{\frac{2 \times 90,000 \times 15}{30}}$$

$$= \underline{\underline{300 \text{ units (d)}}}$$

A = Annual Requirement of raw material

$$= 1500 \times 12 \times 5 = 90,000$$

O = Ordering cost

$$= 10 + 5 \text{ p.u.} = 15 \text{ p.u.}$$

CC pupa = Carrying Cost p.u p.a

$$= 10 + (15 \times 100) + \left(\frac{450,000}{90,000} \right)$$

$$= 10 + 15 + 5$$

$$= 30 \text{ p.u.p.a.}$$