

- b. In this case we do not need to round up the number of accountants to meet demand in each period.

Costs of Temporary Accountants					
Number of Temps	0	2	4	8	5
Hiring fees	0	400	400	800	0
Accountants	0	1200	2400	4800	3000
Computer system	0	350	700	1400	875
Temporary costs	0	1950	3500	7000	3875
Permanent costs	3875	3875	3875	3875	3875
Total costs	3875	5825	7375	10,875	7750
Total revenue	4000	6400	8200	11,000	9000
Profit (loss)	125	575	825	125	1250

Five-week profit (loss) = \$2,900

- c. Suppose we use only the five temporary accountants in week 4 and meet total demand in that week by using overtime.

Costs of Temporary Accountants					
Number of Temps	0	2	4	5	5
Hiring fees	0	400	400	200	0
Temp. accountants	0	1200	2400	3000	3000
Overtime (perm. acct.)	0	0	0	2700	0
Computer system	0	350	700	875	875
Temporary costs	0	1950	3500	6775	3875
Permanent costs	3875	3875	3875	3875	3875
Total costs	3875	5825	7375	10,650	7750
Total revenue	4000	6400	8200	11,000	9000
Profit (loss)	125	575	825	350	1250

Five-week profit (loss) = \$3,125

- d. Aggregate planning is rarely as simple as this sample problem. For example, in this problem, the costs of termination are not considered. It is doubtful that the customers of this imaginary firm would allow their filings to be put off until it was convenient for the firm to file them—especially if they were expecting a refund!