Victor sells a line of upscale evening dresses in his boutique. He charges $300 per dress, and sales average 30 dresses per week. Currently, Vector orders 10 week supply at a time from the manufacturer. He pays $150 per dress, and it takes two weeks to receive each delivery. Victor estimates his administrative cost of placing each order at 225. His inventory charring cost including cost of capital, storage, and obsolescence is 20% of the purchasing cost. Assume 52 weeks per year.

1. Compute Vector’s total annual carrying cost of the inventory system under the current ordering policy?
2. Compute Vector’s total annual ordering cost of the inventory system under the current ordering policy?
3. Without computing EOQ, is this the optimal policy? **Clearly explain why**?
4. Compute Vector’s total annual cost of inventory system (carrying plus ordering but excluding purchasing) under the optimal ordering policy?
5. What is the ordering interval under optimal ordering policy?
6. Compute the flow time
7. Compute the inventory turns under optimal ordering policy? Inventory turn = Demand divided by average inventory.