STAT 201 – INTRO TO BUSINESS STATISTICS
ACTIVITY #A5 – Production Management

Names of group members:

Class time:  
- Monday noon
- Monday 2:30
- Wednesday noon
- Wednesday 2:30

PROBLEM 1, PART A:
Average weight of cereal boxes
Standard deviation of box weight

What cell formulas did you use to get these numbers?

PROBLEM 1, PART B:
How many boxes of cereal can the company produce annually?
Explain how you got this number.

PROBLEM 1, PART C:
What is the company gross profit, before fines?
Explain how you got this number.

PROBLEM 1, PART D:
How many fines will they need to pay, per year?
Explain how you got this number.
PROBLEM 1, PART E:
What is the company net profit? 
Explain how you got this number.

PROBLEM 2, PART A:
What is the company net profit, with process mean 20.4? 
Explain how you got this number.

PROBLEM 2, PART B:
What is the company net profit, with process mean 20.3? 
Explain how you got this number.

PROBLEM 2, PART C:
What process mean maximizes net profit? 
How much profit does the company make, at this mean?

PROBLEM 3, PARTS A and B:
What process mean maximizes net profit? 
How much profit does the company make, at this mean?

PROBLEM 3, PART C:
Should the company spend $1,000,000 to reduce process variation? Explain.