

## Single Period

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The Rocky Corporation Sells fresh tomatoes at the Rutland Farmer's Market, the tomatoes cannot be carried over to the next order cycle (spoilage). The company purchases this product from a supplier for \$12/unit. The product is then resold for \$24/unit. Any product unsold, is sold to an organic farmer for pig feed and Rocky receives \$2/unit.

- a. What is the cost of under supply?
- b. What is the cost of over supply?
- c. What percentage of the time during the reorder period should Rocky be able to satisfy demand for this product (SLP)?