

# ProblemSet 1 – Optimization

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## 1. An optimization question in widget manufacturing

A manufacturing firm makes a profit of \$1200 per unit on the sale of a product known as a widget. The firm hopes to increase widget sales by offering a rebate; after some number-crunching, it is estimated that for every \$100 of rebate, the number of widgets sold in a given month will increase by 15%.

- What amount of rebate will maximize the manufacturers profit for the month? Model the question as a single-variable optimization problem.
- Compute the *sensitivity* of your answer to the 15% assumption. Consider both the amount of rebate and the resulting profit.
- Suppose that rebates actually generate only a 10% increase in sales per \$100. What is the effect? What if the response is somewhere between 10% and 15% per \$100 of rebate?
- Under what circumstances would an offer of a rebate cause a reduction in profit?

## 2. Computing yields with multi-variate optimization

A chemist is synthesizing a compound. In the last step, she must dissolve her reagents in a solution with a particular pH level  $H$ , for  $1.2 \leq H \leq 2.7$ , and heated to a temperature  $T$  (in degrees Celsius), for  $66 \leq T \leq 98$ . Her goal is to maximize her percent yield as a percentage of the initial mass of the reagents.

The equation determining the percentage  $F(H, T)$  is

$$F(H, T) = -0.038 \cdot T^2 - 0.223 \cdot T \cdot H - 10.982 \cdot H^2 + 7.112 \cdot T + 60.912 \cdot H - 328.898.$$

- Find the optimal temperature and pH level in the allowed range.
- Use `matplotlib` to produce a graph and a contour plot of the percentage of the powder function  $F(H, T)$ .

(You should consult this week's `jupyter` notebooks to see some examples. To get a usable copy of your image, you can proceed in a few ways:

- if you produce the graph in colab you can right-click on the image and `Save As` a file on your file system.
  - if you work in Python on your computer, you can save the image via a command like

```
> g.savefig("myGraphImage.png")
```
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