



**[Glossary]**  
**[Transportation Problem (Part - 2)]**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B.A., 4 <sup>th</sup> Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 403 (Four Zero Three ) International Economics
<b>Unit No. &amp; Title:</b>	Unit – 2(two) Transportation & Assignment
<b>Lecture No. &amp; Title:</b>	2(Two): Transportation Problem (Part - 2)

## Glossary

---

**Basic feasible solution:** A feasible solution of  $m \times n$  transportation problem where total number of allocations is equal to  $m+n-1$ .

**Optimal solution:** A feasible solution which gives the minimum transportation cost.

**Independent positions:** It should not be possible to increase or decrease any allocation without either changing the position of the allocations or violating the row or column restrictions.

**Stepping stone:** The corners of the loop formed.

**Opportunity cost:**  $c_{ij} - (u_i + v_j)$  where  $c_{ij}$  is the transportation cost and  $u_i, v_j$  are dual variables.

**MODI method:** Modified distribution method.

**Alternative solution:** The total transportation cost remains the same but allocated cells are different.

**Optimal solution:** The solution which gives the minimum transportation cost.

**Loop:** A closed path

**Dual variables:** Variables  $u_i$  and  $v_j$