*Practical Management Science*, 3e

Albright, Winston

We tried to correct all the typos, bad numbers, wrong solutions, and so forth from the second edition, but with so many details, we probably missed a few. As we (or you) find errors, we'll list them on this page by chapter. Note that if there is an error in a solution file for some problem, we will try to indicate a way to fix the error without "giving away" the solution to students who might be reading this page.

**Note:** The date of the correction is listed.

**Chapter 2**

* (8/28/2006) The second formula in step 2 on page 43 is missing a minus sign. It should read: =IF(Order\_quantity>Demand,Order\_quantity-Demand,0).
* (9/8/2006) In problem 8 on page 47, the reference should be to cell B19, not B16.
* (1/2/2007) Figure 2.13 on page 34 has the wrong numbers in column B of the data table. However, the accompanying file (BreakevenAnalysis.xls) has the correct numbers.
* (9/11/2007) Instructors: There is a minor error in cell B18 of the solution to problem 7. Stare at it for a minute and you’ll spot it.
* (9/11/2007) The template for problem 24 on page 65 was omitted from the book’s CD-ROM. Here it is: [P02\_24.xls](file:///C:\Users\chris\Dropbox\My%20Books\Web%20Site\Downloads\PMS3e\P02_24.xls).
* (9/11/2007) Table 2.1 on page 29 lists annual increases for cherry and oak as 4.2% and 2.1%. Change these to 2.4% and 1.7% to agree with later screenshots and files.

**Chapter 3**

* (9/25/2006) On page 77, the third line below the figure should begin with 65(95), not 67(95).
* (10/3/2006) This isn't really an error, but it's something to watch for. On page 107, the screen shot in Figure 3.26 is correct: it shows decimal values for the reduced costs and the shadow prices. The finished file it's based on, ProductMix.xls, doesn't show the decimals. Of course, you can format it to show the decimals, but the point is that an Excel sensitivity report might show integers, not decimals, so you often need to reformat them.
* (10/3/2006) On the Instructors' CD, the solution in the file S03\_09.xls is really the solution to problem 10. (It's basically the same file as S03\_10.xls.) Of course, all you instructors should know the answer to problem 9, right?
* (3/17/2007) In the shadow price definition on page 88, the last part of the sentence should read "changes by a unit amount."
* (3/17/2007) In the third line from the bottom of page 95, it is more correct to say that you can decrease the Precision level from 0.0000001 to 0.0001.
* (3/17/2007) In the Excel Tip on page 105, the reference should be to cell D16, not E16.
* (5/3/2007) This isn't really an error, but in part b of problem 30 on page 123, it asks when only evening calls will be made. Because the problem states that at most half of all calls can be made in the evening, this constraint obviously prevents all calls from being evening calls. So a better question in part b would be: when will 50% of all calls be evening calls?

**Chapter 4**

* (12/03/2006) The shells and solutions for problems 1-6 on page 142 all have the right logic, but they use the shows and input data from an earlier version of the problem (in our Spreadsheet Modeling and Applications book). Therefore, the numbers in the solutions don't match. Still, all you need to do (you instructors) is copy and paste the labels and input data from Example 4.1 and rerun Solver and SolverTable to get the right solutions.
* (12/03/2006) The SolverTable part of the solution to problem 72 appears to be wrong. When I ran it again (after being prompted by an instructor), the third and fourth rows of the table changed.
* (5/3/2007) The word before small in the fourth line of page 135 should be "as".

**Chapter 5**

* (10/1/2007) The screenshot in Figure 5.7 on page 229 refers to the Midwest Electric model; it should refer to the Grand Prix model.

**Chapter 6**

* (12/03/2006) In problem 50, page 334, all references to "plants" should instead be to "warehouses."
* (12/03/2006) In problem 48, page 333, last sentence before part a, it should read "last two rows," not "last two columns."
* (12/11/2006) In the solutions to problems 2-4 on page 296, we haven't subtracted the initial investment costs in the NPV calculations, and we really should. (This wasn't necessary in the example in the text because we didn't give the detailed cash flows leading up the NPV, so it was presumed there that the stated NPVs already had the investment costs subtracted off.) If you subtract the initial costs in these solutions and then rerun Solver, you should get the same optimal 0-1's as in the current solutions. I don't believe this is guaranteed to happen in all such problems, but it does with these.
* (3/17/2007) Two of the rows in the SolverTable report in Figure 6.4, page 293, are wrong. (Maybe I ran it originally with Tolerance > 0?) The $16,000 row (row 23) should have $49,500, $15,500, 0, 1, 0, 1, 1, 0, 0. The $20,000 row (row 27) should have $61,500, $20,000, 0, 1, 0, 1, 1, 1, 0.

**Chapter 10**

* (12/21/2006) For instructors with the powerpoint slides, in the Example 10.3.ppt file, the figures on slides 2 and 4 have errors. Slide 2 says the percentages of false positives and false negatives are 8% and 3%. To match up with the book, they should be 3% and 7%. The probabilities on slide 4 should be changed accordingly.
* (3/17/2007) In Table 10.7, page 540, the Don't Test and Perform Test labels aren't placed properly. The Don't Test label should be above the D and ND columns. The Perform Test label should be above the last 4 columns.

**Chapter 11**

* (1/26/2007) On page 647, in the line above the FREQUENCY function at the bottom of the page, the range to highlight should be E4:E13, not D4:D13.
* (1/26/2007) This isn’t an error, but it’s worth a note. The sample size formula on page 609 is hard-wired to a 95% confidence interval (because of the 16 multiple). This multiple would obviously change in you wanted another confidence level besides 95%.
* (1/26/2007) In the screenshot on page 605, the entry in cell D9 should be 0.95, not 1.95.
* (3/17/2007) As one instructor correctly points out, the independence assumption at the bottom of page 597 is a somewhat unrealistic one, and we should at least mention that it's somewhat realistic. After all, if you don't show up and you're planning to travel with your spouse or family, then they probably won't show up either.
* (3/17/2007) It's a minor point, but to be consistent, change the reference in the definition of RISKBINOM on page 598 from PrSuc to PSuccess (to match the screenshot in Figure 11.17).
* (3/17/2007) Another minor point, but to be consistent, don't italicize problist in the third line of the RISKCUMUL definition on page 600.
* (3/17/2007) I'm pretty sure the statements at the bottom of page 622 are correct, but they don't match the screenshot in Figure 11.39 on page 623. I probably moved the sliders but didn't capture my final version.
* (3/17/2007) The first line of the last paragraph on page 626 should refer to @RISK's Results Window (not Report Window, since there is no such thing).
* (3/17/2007) Problem 21 on page 631 should request the user to compare the results from using the gamma and lognormal distributions with those using the triangular distribution (not the normal) since the triangular distribution was used in the example.
* (3/17/2007) To match the solution, change the annual salary in problem 41 on page 645 to $80,000.
* (4/11/2007) On page 637, in the line just above "Developing the Simulation Model", it should be RISKCORRMAT, not RISKCORMAT.
* (3/21/2009) We simplified Example 12.5 (GF Auto) in the third edition, but the PowerPoint slides still have references to the older model. In particular, there is still mention of a factor k. In the older model, we let production in any year be expected demand + k \* stdev of demand, where k could be varied, but the newer model doesn’t have this feature. So you can ignore the reference to k.

**Chapter 12**

* (3/17/2007) To be consistent with the solution, for problem 52, second line from top of page 727 should read "... a fraction 0.2 - 0.04n of ...".
* (1/10/2008) In problem 52, page 726, no discount rate is given. To match the solution, use 10%.

**Chapter 14**

* (8/16/2006) The file TransientQueue\_Template.xls has a small bug in the program. (It gets the probability of all servers busy wrong.) Here is the fix: [TransientQueue\_Template.xls](file:///C:\Users\chris\Dropbox\My%20Books\Web%20Site\Downloads\PMS3e\TransientQueue_Template.xls).
* (3/17/2007) The solution to problem 3 has a wrong reference in cell D17. There's an obvious fix.
* (5/10/2007) The files Limited\_Q\_Template.xls and Limited\_Source\_Template.xls both have a small bug. Here are the fixes: [Limited\_Q\_Template.xls](file:///C:\Users\chris\Dropbox\My%20Books\Web%20Site\downloads\PMS3e\Limited_Q_Template.xls) and [Limited\_Source\_Template.xls](file:///C:\Users\chris\Dropbox\My%20Books\Web%20Site\downloads\PMS3e\Limited_Source_Template.xls).
* (9/20/2007) As one user discovered, Microsoft “broke” my nice multiserver queue simulation with Excel 2007. It’s a chart problem, which isn’t surprising since charts have been changed considerably in Excel 2007. I haven’t had time to fix it completely, but here’s a version that at least doesn’t crash in 2007: [MultServerSim Fixed.xls](file:///C:\Users\chris\Dropbox\My%20Books\Web%20Site\Downloads\PMS3e\MultServerSim%20Fixed.xls). You’ll have to add the chart manually.
* (4/2/2008) Formula 14.15 on page 812 is wrong, but the fix is easy. Change the second equals sign to a times sign. It should be LQ = P(all servers busy)\*rho/(1-rho). The MMs template file has it correct.

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Albright is retired from the [Kelley School of Business, Indiana University, Bloomington](http://www.kelley.indiana.edu/) and now works as a consultant for [Palisade Corp](http://www.palisade.com/).

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