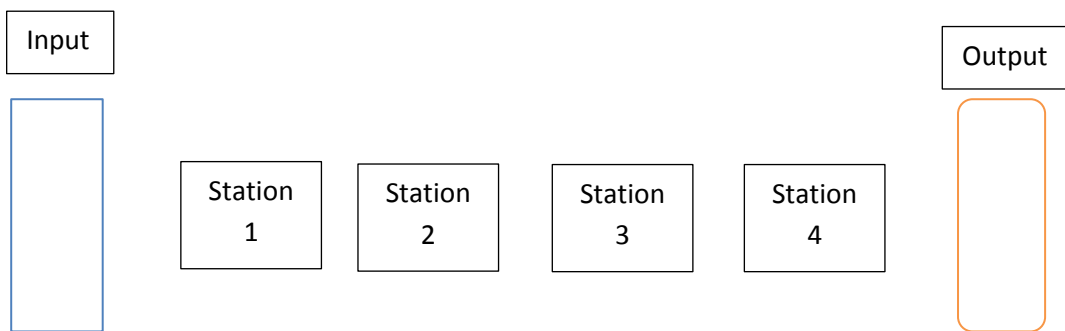


1. Best Enterprise Manufacturing is moving to kanbans to support its transformer assembly lines. Determine the size of the kanban for subassemblies and the number of kanbans needed.

Set up cost = RM50  
Annual holding cost = RM120 per subassembly  
Daily production = 20 assemblies  
Annual usage = 2500 (50 weeks x 5 days each x daily usage of 10 subassemblies)  
Lead time = 16 days  
Safety stock = 4 days' production of subassemblies

- 2 Sketch and explain the system of kanban by using two lines in **Figure Q8.1**. Use dot line to represent withdrawal kanban and straight line is for production kanban. There are four stations namely station1, 2, 3 and 4.



**Figure Q8.1** Production control with Kanban

3. Describe how SMED could be applied in your working area.