PROJECT

Day Trader wants to invest a sum of money that would generate an annual yield of at least $10000. Two stock groups are available: blue chips and high tech, with average annual yields of 10% and 25%, respectively. Though high-tech stocks provide higher yield, they are more risky, and Trader wants to limit the amount invested in these stocks to no more than 60% of the total investment.

**Question 1.** Construct a table that provides the basic information of the problem.

**Question 2.** Define the Linear Programming (LP) Models in which the definition of the variables and the construction of the objective function and constraints of the model.

**Question 3.** Use the Simplex Method to determine the minimum amount Trader should invest in each stock group to accomplish the investment goal.

**Question 4.** Show the graphical LP solution of this model.

**Question 5.** Find the LP solution with Excel Solver.