

MARGARET L. LIAL CHARLES D. MILLER

FINITE MATHEMATICS

FINITE MATHEMATICS

FOURTH EDITION

Margaret L. Lial American River College

Charles D. Miller

SCOTT, FORESMAN AND COMPANY
Glenview, Illinois London, England

TO THE STUDENT

If you want further help with this course, you may want to obtain a copy of the *Student's Solutions Manual* that accompanies this textbook. This manual provides detailed step-by-step solutions to the odd-numbered exercises in the textbook and can help you study and understand the course material. Your college bookstore either has this manual or can order it for you.

Cover art: Vasily Kandinsky, "Extended," May-June 1926. Collection of the Solomon R. Guggenheim Museum, New York.

Photo: David Heald

Library of Congress Cataloging-in-Publication Data

Lial, Margaret L.
Finite mathematics / Margaret L. Lial, Charles D. Miller—4th ed.
p. cm.
Includes index.

1. Mathematics—1961— I. Miller, Charles David. II. Title.
QA37.2.L49 1989
510—dc19

88-38694 CIP

ISBN 0-673-38253-2

Copyright © 1989, 1985, 1982, 1977 Scott, Foresman and Company. All Rights Reserved.

Printed in the United States of America.

Portions of this book appear in *Finite Mathematics and Calculus with Applications*, Third Edition, © 1989, 1985, 1980 Scott, Foresman and Company.

FINITE MATHEMATICS

FOURTH EDITION.



PREFACE

Finite Mathematics, Fourth Edition, is a solid, applications-oriented text covering the noncalculus portions of mathematics needed by students majoring in business, management, economics, or the life or social sciences. Explanations and examples are clear, direct, and to the point; exercises are carefully graded; and numerous examples are provided that directly correspond to the exercises. Highlights of the text are the Extended Applications and abundant applied problems that show students how mathematics is used in the careers they are exploring. The only prerequisite for this book is a previous course in algebra.

KEY FEATURES

FLEXIBILITY *Finite Mathematics* has been organized to be as flexible as possible. Some instructors may choose to begin the course with Chapter 1 and cover the chapters on linear programming. Some may choose to begin the course with Chapter 5 on sets and counting and continue with probability, statistics, and other chapters as desired. The book will facilitate either course organization.

APPLICATIONS A wide range of applications is included in examples and exercise sets to motivate student interest. An Index of Applications, grouped by discipline, includes those applications given in the exercises, examples, and Extended Applications, and is located after the table of contents.

EXAMPLES Nearly 400 worked-out examples clearly illustrate the techniques and concepts presented and prepare students for success with the exercises. For clarity, the end of each example is indicated with the symbol

EXERCISES More than 2500 exercises, including about 2025 drill problems and 475 applications, feature a wide range of difficulty from drill to challenging problems. A new format is used for exercises in this edition. Routine exercises are given first, followed by a clearly marked applications section arranged by discipline, with a descriptive heading for each application.

EXTENDED APPLICATIONS Special lengthy applications are included at the end of most chapters. Designed to help motivate students in the study of mathematics, the Extended Applications are derived from current literature in various fields and show how the course material can actually be applied.

FORMAT Important rules, definitions, theorems, and equations are enclosed in boxes and highlighted with a title in the margin, for ease of study and review. A second color is used to annotate equations, illuminate troublesome areas, and clarify concepts and processes. A new format in the exercise sets highlights the many diverse applications included in the book.

STUDY AIDS Each chapter ends with a list of key words presented in the chapter and an extensive set of review exercises. The key words are referenced to the section in which each appeared, for extra studying help.

CONTENT FEATURES

The idea of **mathematical models** of real-world applications from business, economics, social sciences, and life sciences is emphasized throughout the book, beginning in Chapter 1. Both the strengths and the limitations of models are discussed.

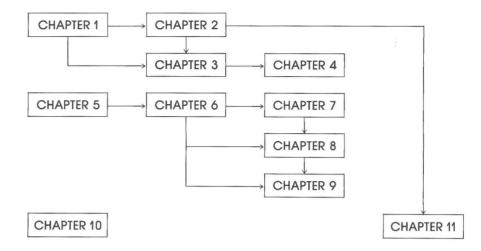
Chapter 1 on linear functions is an **optional review chapter**. Well-prepared students can go directly to Chapter 2, on matrix theory, or to Chapter 5, which leads to probability. For many students, Chapter 1 will serve as a convenient reference.

The book has **two complete chapters on linear programming,** one on the graphical method and one on the simplex method. Mixed constraints are handled with the Phase I/Phase II method. This method also provides one way to solve minimizing problems. A section using the dual approach to minimizing is also included for those instructors who prefer that approach.

The discussion of permutations and combinations has been expanded to two sections (Sections 5.3 and 5.4) to give more emphasis to the multiplication rule and to the differences between permutations and combinations.

The **chapter on probability has been rearranged** to improve the pedagogical flow and the clarity of the presentation.

The **flexibility of the text** is indicated in the following chart of chapter prerequisites. As shown, the course could begin with either Chapter 1 or Chapter 5, and Chapter 10 on the mathematics of finance could be covered discretely.



SUPPLEMENTS

The **Instructor's Guide and Solutions Manual** gives a lengthy set of test questions for each chapter, organized by section, plus answers to all the test questions. It also provides complete solutions to all of the even-numbered text exercises.

The **Instructor's Answer Manual** gives the answers to every text exercise, collected in one convenient location and presented in an easy-to-use format.

The **Student's Solutions Manual**, available for purchase by students, provides detailed, worked-out solutions to all of the odd-numbered text exercises, plus a chapter test for each chapter. Answers to the chapter test questions are given at the back of the book.

The Scott, Foresman Test Generator for Mathematics enables instructors to select questions by section or chapter or to use a ready-made test for each chapter. Instructors may generate tests in multiple-choice or open-response formats, scramble the order of questions while printing, and produce multiple versions of each test (up to 9 with Apple, up to 25 with IBM). The system features a preview option that allows instructors to view questions before printing, to regenerate variables, and to replace or skip questions if desired. A Macintosh version of the Test Generator will be available.

Computer Applications for Finite Mathematics and Calculus by Donald R. Coscia is a softbound textbook packaged with two diskettes (in Apple II and IBM-PC versions) with programs and exercises keyed to the text. The programs

allow students to solve meaningful problems without the difficulties of extensive computation. This book bridges the gap between the text and the computer by providing additional explanations and exercises for solution using a microcomputer. Appropriate exercises in Finite Mathematics are identified by the heading "For the Computer."

A set of two-color overhead transparencies showing charts, figures, and portions of examples is available and can be used to accompany a lecture.

ACKNOWLEDGMENTS The following instructors reviewed the manuscript and made many helpful suggestions for improving this edition: Daniel D. Anderson, University of Iowa; Craig J. Benham, Mount Sinai School of Medicine; Richard A. Brualdi, University of Wisconsin-Madison; Mitzi Chaffer, Central Michigan University; Jay Graening, University of Arkansas; Cheryl M. Hawker, Eastern Illinois University; Joseph C. Hebert, University of Southwestern Louisiana; Richard D. Hobbs, Mission College; Jeffery T. McLean, College of Saint Thomas; Raymond Maruca, Delaware County Community College; Lenora Jane Mathis, Baylor University; William C. Ramaley, Fort Lewis College; James V. Rauff, College of Lake County; Burt M. Rosenbaum, Saint Leo College; and Diane Tischer, Metropolitan Technical Community College.

> Thanks also to Bill Poole, Linda Youngman, and Janet Tilden, editors at Scott, Foresman, who contributed a great deal to the final book.

CONTENTS

Index of Applications xv

1	LINEAR MODELS	- 1

1.1	Linear	Equations	and	Inequalities	in	One	Variable	2
-----	--------	-----------	-----	--------------	----	-----	----------	---

- 1.2 Linear Functions 8
- 1.3 Slope and Equations of a Line 21
- 1.4 Linear Mathematical Models 32
- 1.5 Constructing Mathematical Models (Optional) 44

Review Exercises 58

Extended Application: Estimating Seed Demands—The Upjohn

Company 61

Extended Application: Marginal Cost—Booz, Allen & Hamilton 62

2 SYSTEMS OF LINEAR EQUATIONS AND MATRICES 65

- 2.1 Systems of Linear Equations; the Echelon Method 66
- 2.2 Solution of Linear Systems by the Gauss-Jordan Method 79
- 2.3 Basic Matrix Operations 90
- 2.4 Multiplication of Matrices 98
- 2.5 Matrix Inverses 108
- 2.6 Input-Output Models 119

Extended Application: Routing 129
Extended Application: Contagion 131

Extended Application: Leontief's Model of the American Economy 132

3 LINEAR PROGRAMMING: THE GRAPHICAL METHOD 137

- 3.1 Graphing Linear Inequalities 138
- **3.2** Mathematical Models for Linear Programming 146
- **3.3** Solving Linear Programming Problems Graphically 154 Review Exercises 165

4 LINEAR PROGRAMMING: THE SIMPLEX METHOD 167

- **4.1** Slack Variables and the Pivot 168
- 4.2 Solving Maximization Problems 176
- **4.3** Mixed Constraints 187
- 4.4 Duality (Optional) 200

Review Exercises 210

Extended Application: Making Ice Cream 213

Extended Application: Merit Pay—The Upjohn Company 215

5 SETS AND COUNTING 217

- 5.1 Sets 218
- **5.2** Applications of Venn Diagrams 227
- **5.3** Permutations 236
- **5.4** Combinations 243
- 5.5 The Binomial Theorem (Optional) 253

6 PROBABILITY 260

- 6.1 Basics of Probability 261
- **6.2** Further Probability Rules 270
- **6.3** Conditional Probability 283
- 6.4 Bayes' Formula 297
- **6.5** Applications of Counting 304
- 6.6 Bernoulli Trials 312

Review Exercises 322

Extended Application: Making a First Down 326 Extended Application: Medical Diagnosis 326

7 STATISTICS AND PROBABILITY DISTRIBUTIONS 328

- 7.1 Basic Properties of Probability Distributions 329
- 7.2 Expected Value 336
- 7.3 Variance and Standard Deviation 348
- 7.4 The Normal Distribution 358
- 7.5 The Normal Curve Approximation to the Binomial Distribution 370

Review Exercises 378

Extended Application: Optimal Inventory for a Service Truck 381

Extended Application: Bidding on a Potential Oil Field—

Signal Oil 382

8 MARKOV CHAINS 385

- **8.1** Basic Properties of Markov Chains 386
- 8.2 Regular Markov Chains 396
- **8.3** Absorbing Markov Chains 404

9 DECISION THEORY 417

- 9.1 Decision Making 418
- **9.2** Strictly Determined Games 423
- 9.3 Mixed Strategies 430

Review Exercises 441

Extended Application: Decision Making in Life Insurance 443

Extended Application: Decision Making in the Military 446

10 MATHEMATICS OF FINANCE 450

- 10.1 Simple Interest and Discount 451
- **10.2** Compound Interest 457
- **10.3** Sequences 465
- **10.4** Annuities 473
- 10.5 Present Value of an Annuity; Amortization 481

Review Exercises 488

Extended Application: A New Look at Athletes' Contracts 491

Extended Application: Present Value 493

11 DIGRAPHS AND NETWORKS 496

- **11.1** Graphs and Digraphs 497
- 11.2 Dominance Digraphs 501
- 11.3 Communication Digraphs 507
- **11.4** Networks 513

TABLES 523

Combinations 525
Area Under a Normal Curve 526
Compound Interest 528
Present Value 529
Amount of an Annuity 530
Present Value of an Annuity 531

Answers to Selected Exercises 533

Index 569

INDEX OF APPLICATIONS

BUSINESS AND ECONOMICS

Advertising, 286, 314, 415, 439 Airline routing, 130 Airline usage, 302 Amortization, 483, 485, 486, 487, 490 Annuities, 482, 486 Appliance reliability, 303 Athletes' contracts, 491 Average cost, 41 Bakery income, 184 Bakery orders, 117 Bank discount, 456, 490 Banking, use of computers in, 294 Bankruptcy, 380 Battery life, 356 Bidding on a potential oil field, 382 Blending milk, 152, 162 Blending seed, 198 Blending a soft drink, 199 Break-even analysis, 36, 42, 60 Break-even point, 41, 42 Breeding cats, income from, 176 Brewery repair costs and production levels, 54 Car payments, 483, 486 Car purchases, 319 Car rental, 7, 20 Charitable contributions, 183 Charitable trust, 487 Chicken farming, 233 Christmas card production, 419 Citrus farming, 418-19 Cola consumption, 235 Company earnings, 60 Company training programs, 396, 414

Competing stores, 388, 394, 399, 429, 430 Concert preparations, 421 Consumer credit, 303, 456 Consumer satisfaction, 320 Contractor bidding, 422 Correlation of sales and profits, 53 Correlation of stores and sales, 50 Cost analysis, 34, 102, 106, 166 Credit applications, 225 Credit cards, 415 Currency, 76 Defective items, production of, 300 Delinquent taxes, 456 Demand function, 15-16 Depreciation straight-line, 38, 41, 52, 56, 60, 473 sum-of-the-years'-digits, 44, 46, 52, 56, 60 Doubling time, 463, 464, 465 Dry cleaning, 388, 394, 399 Effect of revenue on price, 57 Equilibrium demand, 17 Equilibrium price, 17 Equilibrium supply, 17 Farm profit, 170, 176, 187, 208 Fast food, consumption of, 319 Finance, 145, 152, 163, 197 Franchise fees, 21 Hotel occupancy, 346 Ice cream manufacturing, 213-14 Individual retirement accounts, 464, 480 Inflation, 464 Inheritance income, 487 Input-output models, 119-24, 128 closed, 122, 123, 125 open, 122, 124

Insurance, 151, 161, 340, 346, 394 Interest on investments, 4, 7 Inventory, 40, 91, 93, 95, 381 - 82Investment habits, 235 Investments comparing, 127, 212, 464 and economic conditions, 303, 420 interest on, 4, 7, 79, 118, 198 IRAs, 464, 480 Job qualifications, 303 Labor relations, 441 Labor unions, 29 Land development, 395, 420 Land use, 395 Life insurance, 443-45 Light bulb life, 368 Linear cost function, 36, 59 Loan interest, 79, 456 Loan repayment, 453-55, 456, 461, 490 Locating oil, 324 Machinery repairs, 421, 422 Manufacturing cost, 31 Marginal cost, 35, 40, 62 Market share, 394 Marketing a new product, 421 Maximizing profit, 146, 151, 152, 161, 162, 166, 175, 176, 184, 185, 186, 212 Maximizing revenue, 151-52, 162, 175, 183 Merit pay, 215-16 Minimizing cost, 145, 146, 161, 162, 192-93, 194, 197, 518 Mining exploration, 319 Negative interest, 465 Net profit, 7

New car purchases, 319	Sum-of-the-years'-digits	Blood pressure, 346
Oil distribution, 128	depreciation, 44, 46, 52,	Blood sugar and cholester
Packaging, 90	56, 60	levels, 61
Personnel screening, 320	Supply and demand, 15, 16,	Color blindness, 281, 296
Pet store stock, 295	18, 20, 21, 59	Contagion, 131-32, 413
Present value, 493	Supply function, 59	Correlation of height and
Price-to-earnings ratio, 224	Survey results, 322	weight, 55
Pricing, 439	Tax and interest, 7	Dietetics, 79, 97, 107, 14
Printing orders, 128	Telephone service needs, 53	153, 163, 198, 209
Process control, 353, 357	Television advertising, 303	Drugs
Production costs, 39, 197, 208	Time management, 145, 166	effectiveness of, 320, 3
Production rates, 78	Training programs, 396, 414	prescribing, 438
Production requirements, 118, 127	Transportation costs, 89, 151,	screening, 296
Production scheduling, 127,	152, 161, 162, 192–93,	sequencing, 243
143, 145, 146	194, 197, 198	side effects of, 320
Profit, 59	Unions, 29	Fish
estimating, 346	Utility company management, 230	effects of water pollution
maximizing, 146, 151, 152,	Worker error, 298	on, 31
161, 162, 166, 175, 176,		food requirements of, 2
184, 185, 186, 212		Flu inoculations, 321
net, 7		Food web, 130
optimum, 208	GENERAL	Genetics, 234, 245, 281,
Purchase orders, 439-40		291, 295, 393, 403,
Quality control, 295, 301,	Chinese New Year	Hazardous waste, 227
303, 306, 320, 322, 324,	celebrations, 233	Health care, 153, 163, 19
368, 374, 377, 380, 403	Construction, 153, 164	Height, estimating, 31
Rental fees, 19	Contests, 348	Hepatitis blood test, 303
Return on investment, 59, 79,	Family food expenditures, 21	Insect classification, 243
118, 198	Family income, 78	Insecticide spraying, 434
Revenue, 19	Football, 326, 429	Medical diagnosis, 326
maximizing, 151-52, 162,	Gambler's ruin, 406-7, 414	Medical research, 416
175, 183	Grocery purchases, 97	Plant foods, mixing, 90
Revenue/cost/profit, 7	I Ching, 321	Population growth, 473
Salary, 473	Magazine readership, 229-30	Predator food requirement
Sales, 10, 19, 31, 467	Military decisions, 446–49	153, 163
Sales accounts, rating, 346	Music, 233	Radiation, effects of, 320
Sales analysis, 33, 40, 98	Native American ceremonies, 232	Rats
Sales estimation, 42, 47, 50, 53	Postage costs, 61	diets of, 380
Sales management, 403	Routing, 129–30	weight gain of, 34
Sales promotion, 356	Tuition, 8	Sickle cell anemia, 325
Savings annuity, 475, 479,	War games, 429	Soil fertilization, 54
480, 490		Surgery survival rate, 320
Savings deposits, 456, 464,		Thyroid problems, 227
470, 477		Toxemia test, 304
Seed demands, 61	LIFE SCIENCES	Vitamin A deficiency, 320
Shipping costs, 89, 151, 152,		Vitamin requirements, 36
161, 162, 192–93, 194,	Animal activity, 128	
197, 198	Animal growth, 97	
Shipping decisions, 145, 146	Ant population growth, 43	
Sinking fund, 477, 480, 490	Anti-smoking campaign, 422	PHYSICAL SCIENCES
	Bacteria	
Stock reports, 128		
Stock returns, 379	food requirements of, 90	
Stock returns, 379 Storage capacity, 148, 158	growth of, 43, 55	Blending gasoline, 199, 2
Stock returns, 379		Blending chemicals, 199, Blending gasoline, 199, 2 Celsius and Fahrenheit

Octane rating, 8 Seeding storms, 347 Weather, 404

SOCIAL SCIENCES

Border patrol, 429 Cities, distances between, 515, 519 Class size, 44 Commuting times, 380 Education, 235, 369, 404, 423 Election results, 497, 501
Estimation of time, 43
High school and college GPAs, 56
Housing patterns, 395
Immigration, 32
Interpersonal relationships, 501
I.Q. scores, 380
Law enforcement, 440
Minority attendance at
community colleges, 321
Political affiliation, 304
Politics, 186, 442
Preference tests, 506–7
Randomized response method, 325

Rat maze, 413
Reelection strategy, 423
Rumors, 404
Social class changes, 386
Stimulus effect, 43
Student retention, 412
Testing, 321
Tournament winners, 501, 504, 506
Traffic control, 88
Transportation, 412
Voting, 31, 32, 304, 395
Work-related illness and injury, 32

Linear Models

1.1	Linear Equations and Inequalities in
	One Variable

- 1.2 Linear Functions
- 1.3 Slope and Equations of a Line
- 1.4 Linear Mathematical Models
- 1.5 Constructing Mathematical Models (Optional)

Review Exercises

Extended Application

Estimating Seed Demands — The Upjohn Company

Extended Application

Marginal Cost — Booz, Allen & Hamilton