**13-25.** The office manager for the Metro Life Insurance Company orders letterhead stationery from an office products firm in boxes of 500 sheets. The company uses 6500 boxes per year. Annual carrying costs are $3 per box, and ordering costs are $28. The following discount price schedule is provided by the office supply company:

Order Quantity (boxes) Price per Box

200–999 $16

1000–2999 14

3000–5999 13

6000+ 12

Determine the optimal order quantity and the total annual inventory cost.

(Russell 585)

Russell, Roberta S. *Operations Management: Creating Value Along the Supply Chain, 7th Edition*. John Wiley & Sons,