

**Question 4.** (Dynamic Programming) [20 MARKS]

You are running a software business with client base in Toronto and Vancouver. During every month you are offered one project in each of these cities. Each project has a different payoff. We denote the payoff during week  $i$  for the Toronto project by  $T_i$  and for the Vancouver project by  $V_i$ . You must be present in a city to undertake a project there. Every time you move you incur a cost of  $C$  units. We assume that on week 0 you are located in Toronto.

In addition to the two projects mentioned above, every month you have an opportunity to work on a project over the internet, with a payoff of  $I_i$ . This project has the advantage that it can be done anywhere, and does not require you to move.

For example, if the payoff table is

<i>week</i>	1	2	3	4	5
$I_i$	50	50	30	50	10
$T_i$	100	100	40	70	10
$V_i$	100	50	100	10	100

and  $C = 50$  then the optimal sequence of projects is  $T, T, V, I, V$ . This requires one move and achieves a total profit of  $100 + 100 + 100 + 50 + 100 - 50 = 400$ .

Give an efficient algorithm that given a table of  $I_i, T_i$  and  $V_i$  for the first  $n$  weeks outputs the *profit* of the optimal sequence of projects. You do not need to compute the actual sequence.

**Hint:** One possible solution uses a  $2 \times (n + 1)$  array.