|  |  |  |
| --- | --- | --- |
| **Period** | **Actual Demand** | **Forecast** |
| **1** | 42 | 42 (assumed = D1) |
| **2** | 37 | (1 – 0.3) x 42 + 0.3 x 42 = 42 |
| **3** | 34 | (1 – 0.3) x 42 + 0.3 x 37 = 40.5 |
| **4** | 40 | (1 – 0.3) x 40.5 + 0.3 x 34 = 38.55 |
| **5** |  | (1 – 0.3) x 38.55 + 0.3 x 40 = 38.985 |