

Location Factors & Manufacturing

(Pages 375 – 385)

1. What is a location factor?

2. Briefly explain in your own words each of the location factors listed below: (p.376-383)
 - a) Availability of Raw Materials

 - b) Location of Markets

 - c) Availability of Fresh Water & Power

 - d) Labour Supply

 - e) Transportation

 - f) Political Factors

 - g) Circumstance

3. Some factories located close to raw materials and far from markets, while others are far from raw materials and close to markets. Give two examples of each type of factory, and explain why they locate where they do. (p.376)
 -

 -

4.
 - a) What is the delivery system called Just-in-time?

 - b) Give one advantage and one disadvantage of the system.

Advantage:

Disadvantage:

5. What is a Branch plant?

Industrial Location Exercise

Use the following industrial locations factors and match to the corresponding item in appropriate example. On the chart below.

- | | |
|------------------------------------|------------------------------------|
| 1. Future Prospects | 5. Shipping Costs of Raw Materials |
| 2. Labour Supply | 6. Share of Local Market |
| 3. Labour Cost | 7. Local Attitude to Industry |
| 4. Shipping Cost of Finished Goods | |

#	Questions	Answers
1a	In City A you can hire all the workers you need for \$875,000 per year. In city B the cost would be \$1,075,000 per year. Which city has the advantage?	A or B
1b	What is the location factor?	#
2a	In city A, 4.5% of the workers are unemployed and there are shortages of workers of certain types. In city B, 12% of the workers are unemployed and there are abundant numbers of all types of workers. Which city has the advantage?	A or B
2b	What is the location factor?	#
3a	In city A there are 9000 customers for your product and 2 competitors. In City B there are 3800 customers and no competitors. Which city has the advantage?	A or B
	What is the location factor?	#
4a	The cost of shipping your product from city A to all your customers in the country is \$165,000. From city B, the cost is \$295,000. Which city has the advantage?	A or B
4b	What is the location factor?	#
5a	The cost of shipping raw materials to city A is \$215,000. The cost of shipping raw materials to city B is \$85,000. Which city has the advantage?	A or B
5b	What is the location factor?	#
6a	City A has a lot of industry and very little unemployment. It is very prosperous and therefore not overeager to have your company move in. (They would still be happy to have you.) Land for the factory will cost \$1,250,000 and taxes will be \$90,000 per year. City B has a shortage of industry and high unemployment. The city government will offer you a special deal if you locate there: land and taxes (for 10 years) at 50% off. Land will cost \$625,000; taxes will be \$45,000 per year. Which city has the advantage?	A or B
6b	What is the location factor?	#
7a	City A is in a rapidly growing are and new markets for your product should develop quickly as the area grows. City B is in an area that is growing very slowly. Prospects for new markets in the future do not seem good. Which city has the advantage?	A or B
7b	What is the location factor?	#

What city would you locate your factor? Explain!