Assumptions of the Manufacturing Sector

1. Manufacturing firms assemble bikes using land, labor, and imported parts.
2. All the bikes are exported to other regions.
3. Imported parts and finished bikes are transported by trucks on a highway running through the city.
4. Price of bikes is fixed.
5. Each manufacturing firm produces 5 bikes at a price of $50 per bike.
6. Each manufacturing firm occupies a 2 acre site.
7. Freight cost per bike per mile is $4.