

### **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.