

**2/21/22: APHUG**

- **Grab ALL the documents on the back table**



# WEBER'S LEAST COST THEORY

**Mr. Wright**



# 3 MAJOR FACTORS THAT DETERMINE LOCATION

<b>1) Transportation (most important)</b>	<ul style="list-style-type: none"><li>• Raw materials (inputs) to factory</li><li>• Finished goods (outputs) to market</li><li>• Distance and weight most important factors.</li></ul>
<b>2) Labor</b>	<ul style="list-style-type: none"><li>• High labor costs reduce profit</li><li>• May locate farther from inputs/ market if cheap labor can make up for added transport costs.</li></ul>
<b>3) Agglomeration</b>	<ul style="list-style-type: none"><li>• Similar businesses cluster in the same area.</li><li>• Businesses support each other, reduce costs</li></ul>





# Agglomeration, Chicago East Side

The image is a screenshot of a web browser displaying Google Maps. The browser's address bar shows 'maps.google.com'. The search bar contains the word 'auto'. The map itself shows an industrial area on the East Side of Chicago, with several key locations labeled: 'Assembly Plant' (marked with a red pin 'B'), 'Ford Offices' (marked with a red pin 'A'), 'Warehouses' (marked with a red pin 'D'), and 'Auto Parts Manufacturers' (marked with a red pin 'C'). A large blue area represents a body of water, likely the Chicago River. The map includes a scale bar (0 to 500 meters), a compass, and buttons for 'Satellite' and 'Traffic'. On the left side of the map, there is a sidebar with search results for 'auto', including advertisements for Buick and Asatotrader, and listings for Ford Motor and Ford Chicago Assembly. The Windows taskbar is visible at the bottom of the screen, showing the time as 8:04 PM.

auto - Google Maps - Mozilla Firefox

File Edit View History Bookmarks Tools Help

Welcome to A. Ford & Sons Co. U.S. Steel - A Leading Steel Producer... auto - Google Maps

maps.google.com

Bookmarks Toolbar \$ Blogs Websites ACE Teaching Resources Herlan Community Ac... IMPACT Edmodo World Studies ISH Recipes GRUB Guitar

+You Search Images Maps YouTube News Gmail Documents Calendar More -

Google auto

me.petruszka@gmail.com

Get directions My places

auto

Ads - Why these ads?

- Buick Car Official Site**  
Check Out the Award-Winning Buick Verano. View Photos & Features  
[www.buick.com/Auto](http://www.buick.com/Auto)
- Search New & Used Autos**  
Find Cars For Sale in Your Area  
Compare Millions of Listings Now!  
[www.asatotrader.com/](http://www.asatotrader.com/)

- Ford Motor**  
12525 South Carondelet Avenue, Chicago, IL  
(773) 892-3500  
million vehicles - assembly plant - automaker
- Ford Chicago Assembly**  
12600 South Torrence Avenue, Chicago, IL  
(773) 646-1821 - [at.ford.com](http://at.ford.com)  
Category: Auto Plant  
3 reviews  
"Building the new ford taurus and explorer, as well as the new ford..."

Assembly Plant

Ford Offices

Warehouses

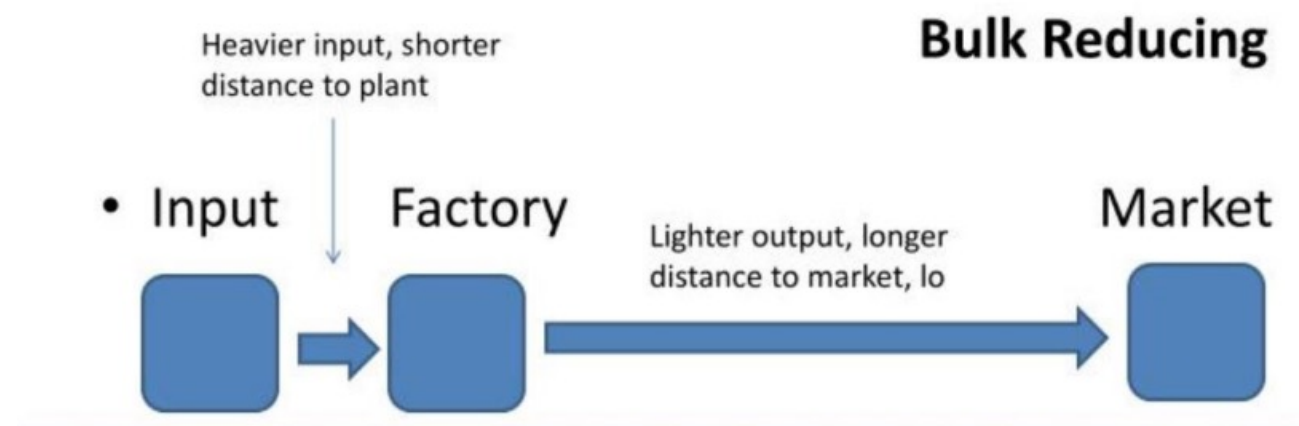
Auto Parts Manufacturers

Map data ©2012 Google - Report a problem

8:04 PM



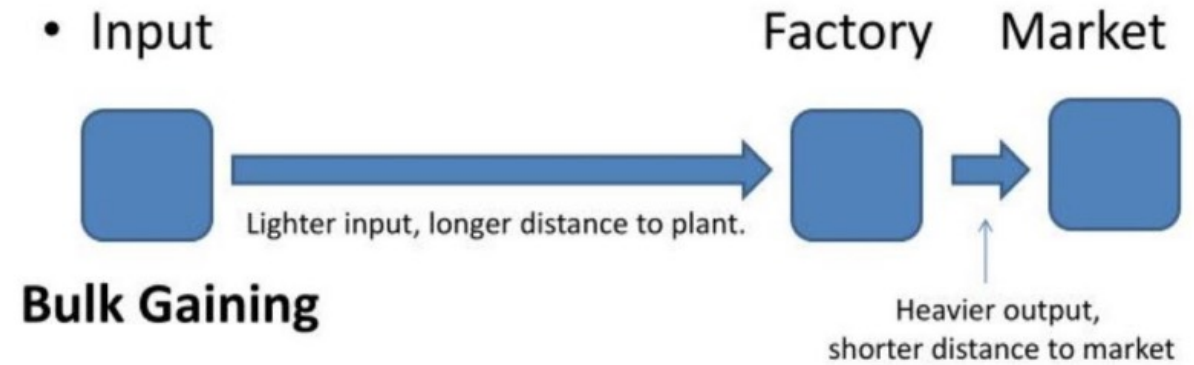
# BULK REDUCING INDUSTRY



- **Inputs weight more than final product.**
- **Weight is lost during the production process**
- **Cost of shipping inputs to factory > cost of shipping outputs to market.**
- **Therefore, factory is located near raw materials/ inputs.**
- **Examples: copper, steel, lumber**



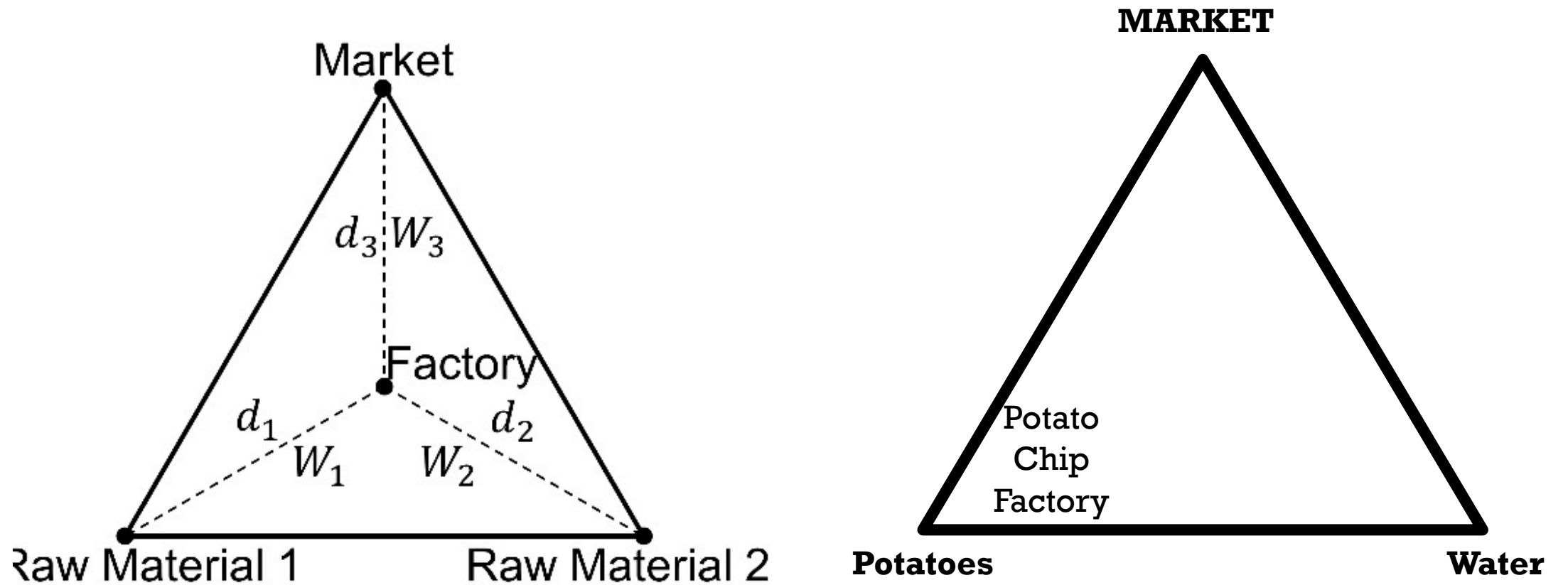
# BULK GAINING INDUSTRY



- Finished product weighs more than the inputs.
- Weight is gained during the production process.
- Cost of shipping outputs to market  $>$  cost of shipping inputs to factory.
- Therefore, factory is located near the market.
- Examples: Automobiles, beverages



# LOCATIONAL TRIANGLE





[HTTPS://YOUTU.BE/J7B\\_H7-B02S](https://youtu.be/J7B_H7-B02S)





# WEBER'S LEAST COST WORKSHEET

- Use the link on the class website to answer the worksheet questions
- Due TOMORROW (whatever you don't finish now is tonight's homework)
- [www.saintcloudaphuman.weebly.com](http://www.saintcloudaphuman.weebly.com)

