1 Question 1

Why is location an important factor in the geography of finance?

2 Question 2

Are there circumstances in which agglomeration economies advantage might be overstated or perhaps even illusionary? In answering, provide at least one example.

Agglomeration economies consists of processes that take advantage of economies of scale and network effects. Furthermore, these processes operate on two important levels, that of the individual firm and that of the region. However, it would be fallacious to believe that the net effect of agglomeration is always beneficial or even tangible.

On the level of the firm, For example, many studies have shown that banks have diminishing returns on Capital when they pass 25 billion dollars in yearly revenue. (Smith 2010)

3 Question 3

This question has the following parts: (1) Describe, explain and discuss "Spatialization" based on Fabrikant, Skupin et al.; (2) Next, provide a hypothetical for now, but as good-as-you-can-make-it, example of Spatialization using some of the data for your study. Which of your data variables (pp. 14-15 in your Proposal) can be used? Pay attention to the X and Y axis, ensuring they make sense and have a clear label. State what these labels are; (3) What Distance Modeling could be applied to your example? (Cf. Chapter 6 on Distance Relationships by Chrisman); (4) Given 'Investment DistanceSheds' generated in (3) in non-spatial 'financial spaces', what Surface Modeling can be applied? (Cf. Chapter 8 on Spatial Analysis using Continuous Fields by Burrough et al); (5) What results can be expected from using this type of

approach? Comment on this three-part 'Surface Analysis of Distance Models derived from Spatialization of Investment Data' approach.

3.1

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References

Smith, Y. (2010). Debunking the myth that bigger banks are more efficient and necessary.