

Unit 3 Lesson 4 Corporate Mergers

Homework pg. 206 questions 1 to 8

Merger: The joining together of two or more companies to form a \_\_\_\_\_ company.

- ◆ \_\_\_\_\_: two companies that both make the same product and join together.
  - ◆ Ex: Sprint and Nextel
- Reasons:
1. Increase customer base
  2. Shared technology
  3. Cut costs

Laws that are created to stop big businesses from dominating a market are called:

\_\_\_\_\_

Sometimes the government will stop horizontal mergers because it might create a

\_\_\_\_\_.

\_\_\_\_\_ (1890) the first law that banned mergers and monopolies that limit trade across states. It gave the government the power to stop cartels and monopolies.

\_\_\_\_\_ : a joining of two or more firms that are involved in different stage of producing the same good or service .

Ex: A furniture manufacturer buys a lumber mill

Reasons: to cut costs

\_\_\_\_\_ : a combination merging two or more totally unrelated businesses

Examples: \_\_\_\_\_

Reason: to increase profits.

\_\_\_\_\_ : law in a city that designates separate areas for residency and for business

\_\_\_\_\_ (MNCs) : a large corporation that produces and sells its goods and services throughout the world.

\_\_\_\_\_ : business organization owned and operated by a group of individuals for their shared benefit. ex: an apartment complex., health care service, agricultural co-op

In your notebook write an essay (story) about how you could create a small business and turn it into a huge corporation.

Start as a sole proprietorship and explain how your business can grow into a corporation.

Use at least 10 vocabulary words from this semester. Make sure to underline each one.