The Growth of Firms

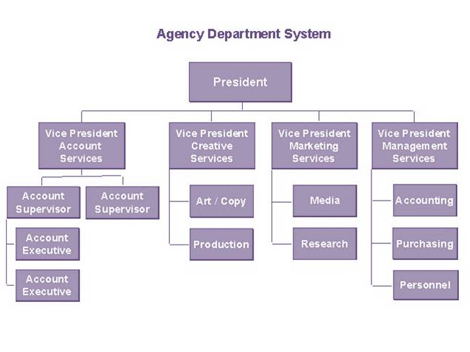
Using pages 203 -204 make some brief notes on measuring the size of firms:

Measuring the size of firms



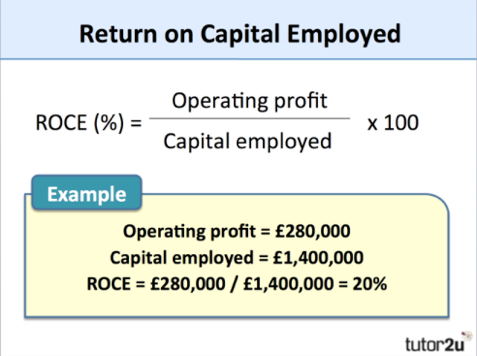
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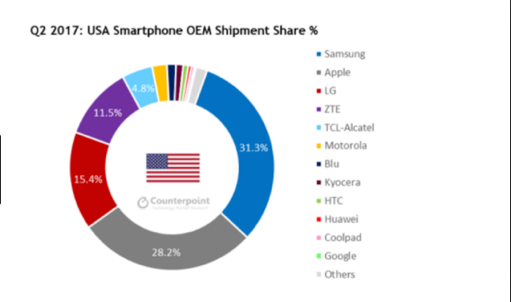


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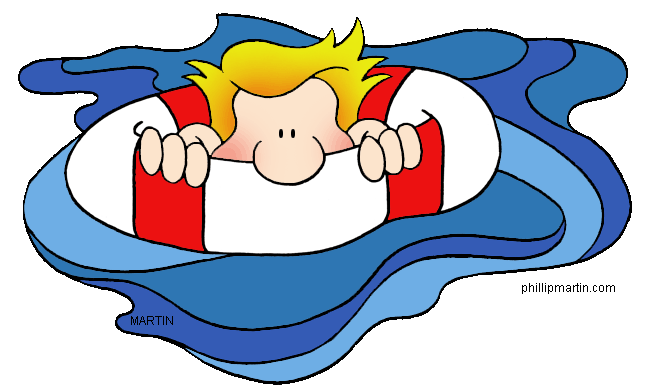


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Take notes on motives for growth using pages 206-207, read the advantage and disadvantages of small firms:

Motives for growth:

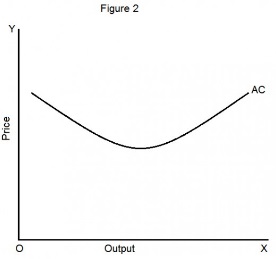
Survival:

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Increased profits:

Average costs are lower:

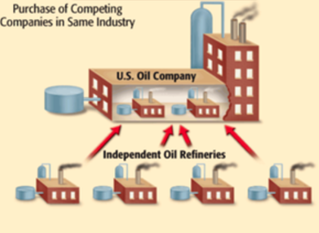
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Increased market share:

Complete the diagram of all of the different methods of growth identified on pages 207-211.

Methods of growth:

Now take notes on these different forms of growth:

Methods of integration:

Lateral integration

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 Vertical merger:

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Conglomerate merger:

[](http://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=0ahUKEwiHiea38J_LAhXCu4MKHZAIAh8QjRwIBw&url=http://carolsanfordinstitute.com/project/procter-gamble/&bvm=bv.115339255,d.amc&psig=AFQjCNHB0BkFxeVeectIU1kfjZ_0pUG4rg&ust=1456935083725596)

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Using pages 205 -206 make some brief notes on why most firms remain small:

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[](http://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=0ahUKEwi5uaWR85_LAhUht4MKHdMhCx0QjRwIBw&url=http://dominikrivinius.empowernetwork.com/blog/the-secret-connection-between-jealousy-and-the-lack-of-money&bvm=bv.115339255,d.amc&psig=AFQjCNHepvpAc0SiAZ1jr4HDPbe0UeFh8g&ust=1456935850987352)[](http://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=images&cd=&cad=rja&uact=8&ved=0ahUKEwj5uab185_LAhWFm4MKHfd2CR4QjRwIBw&url=http://doggiecareresort.com/&psig=AFQjCNE5iKTnT1u3k2jXtxOpVEHWFbtAag&ust=1456936014309614)

Some business owners choose to stay small:

Access to capital is limited: 

The size of their market is small:

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