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

Motives for growth:

Survival:

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:



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

Limitations to growth:



Some business owners choose to stay small:

Access to capital is limited: 

The size of their market is small:

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