

Chapter- 4

Enterprise Growth Strategies

1. What are the two ways in which an organization can expand?
2. Ankit private Limited company deals in dairy products. The company is quite aware of the importance of growth and believes in the saying, 'you either grow or you die'. Therefore, the company is planning to expand its current production capacity by increasing the number of its livestock. Which form of expansion is the company planning?
3. Under which franchising model, the manufacturer grants a store owner the authority to distribute goods manufactured under their brand name?
4. Being a foodie himself, Rahul decided to venture into the food sector and started an outlet, taking the franchise of 'Goli Vada pav' market leaders in the segment. He had to convince his parents regarding his choice and he did so by quoting the importance of franchise for the franchisee. List some of the benefits which he would have shared with his parents. He also decided to distribute any leftover food to the roadside sellers.
5. What are the disadvantages of franchising to the franchisee?
6. Firm 'X' is producing clothes and firm 'y' producing electronic items. A merger between these two firms will belong to which category?
7. What do you mean by the merger? Explain in detail the types of mergers.
8. When the acquisition is done through coercive means, it is engaging in which type of acquisition?
9. Aryan manufacturing company, a leading company of the housing sector registered a turnover of Rs 2,000 crore in 2015-16. This spectacular progress prompted the director of the company to look out further growth plans. The company has decided to grow externally through the process of mergers and acquisitions. You are approached by the company, as an expert on mergers and acquisitions. The director of the company wants to know the process of mergers and acquisitions. You are required to give them a brief outline of the process.

10. Many times mergers and acquisitions fail. Discuss the reasons for the failure.
11. Apart from Synergy, explain any four reasons, why companies opt for mergers and acquisitions?
12. Reliance Industries donated a part of its revenue from its industrial units in Gujarat for the earthquake victims. Which form of value addition is being pursued by the company?
13. From which point of view, is added value a difference between the value of output and input?
14. 'Plastic World Limited' is a leading manufacturer of bottles and Tiffins for school-going children. Recently, it introduced a new bottle with an adjustable zipper top for young children. Also, to safeguard the environment, it started using recycled material for packing. Which type of value addition can the above acts be categorized into? Explain.
15. Frontier biscuits are a premium bakery engaged in making high-quality biscuits. Its 'pasta and cashew' biscuits are customers' favourite. It costs Rs 300 to make 1 kg of the above biscuits and is sold @ Rs 450 per kg. What is the value-added from a financial point of view?
16. Explain the requirements for the value chain management.
17. Explain in detail Porter's generic value chain with the help of a diagram.
18. Hinduja Finance acquired Ashok Leyland Information Technology so that the accumulated losses of Ashok Leyland could be set-off against its book profits. What form of benefits is discussed here? Explain.
19. 'A company can expand externally through mergers and acquisitions'. In light of the above statement, give the different forms of mergers and acquisitions.
20. How does franchising help start-ups?