**Mergers and takeovers**

Revision questions

1. What is horizontal integration?
2. For what reasons might a manufacturer take over one of its suppliers?
3. For each of the following, outline two reasons why British Airways might like to make a takeover for:
   1. EasyJet
   2. High-street retailer Flight Centre.
4. Explain why diversification might be a bad idea for a fast-growing firm.
5. Explain the meaning of the word `synergy`.
6. Explain why businesses should consider Ansoff’s Matrix before making a takeover bid.
7. In march 2015, Phillip Green’s Arcadia retail business sold the BHS chain of £180 stores for £1. Was the new buyer guaranteed to be able to make a profit on this deal?