

Summary

Conglomerate diversification is a measure used by firms to synergize efficiencies. Monopoly motives could be there but legal restrictions try to make such alliances favorable to society. With many benefits like cost savings, increased output and enhance efficiencies, there may be problems of management as well as cultural diversities. Mergers on the other hand are also attractive options to improve financial health of the companies. Such measure not only makes the industry structure attractive but maximizes benefits for both merging and acquiring firms consequently leading to economic growth. An introduction about FDI was also mentioned as the growth in the same is a resultant feature of growing mergers and acquisitions in developing countries. Such large scale operations attract foreign investments and help boost economic growth.