

Class Test 01

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011 201 262

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Answer to the question number 1(a)

In that case, they used Horizontal Integration which is under growth corporate strategy. Horizontal Integration assumes expansion into other geographies and offering other products into the same market where the company already operates. Mr. Hamray and his friend merged their company for using facilities from each other and their business was going well for doing that. So, when a company grows by combining with two different company we can say that its Horizontal Integration.

(01)

Set-02

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Answer to the Question number:- 01(b)

In that case, Abul Khair Group followed vertical integration forward which is under growth strategy. We know that, vertical integration forward means when someone sells his own product and become self owners. Abul Khair Group also wanted to sell their own milk at their own store, for that they opened a store just to sell their products. So, They followed forward vertical integration.

(02)

Answers to the Question numbers - 02For ~~Tan~~ Taniv,

$$EFF\% = \left(1 + \frac{I_{NOM}}{M}\right)^M - 1$$

$$= \left(1 + \frac{0.1}{4}\right)^4 - 1$$

$$= 0.1038$$

$$= 10.38\%$$

Here,
 $I_{NOM} = 10\%$
 $= 0.1$
 $M = \text{quarterly}$
 $= 4$

Now,

we know,

$$F = P(1+i)^N$$

$$= 26000(1+0.1038)^{32}$$

$$= \$613007.54$$

Here,

$$F = ?$$

$$P = \$26000$$

$$N = 32 \text{ years}$$

$$i = 10.38\%$$

P.T.O
 (03)

On the other hand,

For Univ,

$$EFF\% = \left(1 + \frac{I_{NOM}}{M}\right)^M - 1$$

Here,

$$I_{NOM} = 13\%$$

$$= 0.13$$

$$M = \text{monthly}$$

$$= 12$$

$$= \left(1 + \frac{0.13}{12}\right)^{12} - 1$$

$$= 0.1380 = 13.80\%$$

Now, we know,

$$F = P(1+i)^N$$

$$= 12000(1+0.1380)^{32}$$

$$= \$751162.04$$

Here,

$$P = \$12000$$

$$i = 13.80\%$$

$$= 0.1380$$

$$N = 32 \text{ years}$$

P.T.O

(04)

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We know, 1 million = \$1,000,000.

Surviv needs $(10,000,000 - 7,511,620.04)$ or
\$2,488,379.96 to reach one million.

on the other hand, Taniv needs
 $(10,000,000 - 6,130,075.54)$ or,
\$3,869,924.46 to reach one million.

We see Surviv needs less money
than Taniv to reach one million
in 32 years. (Result)

(05)