**Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Hour:\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Chapter 8 Section 2 Study Guide pg 274-277**

 1. What was America’s first big business? \_\_**Railroads** \_\_\_\_\_\_\_\_\_\_\_

 2. Define **corporation** -  **A company formed by a group of investors**

 **who receive a share of ownership proportioned to the amount**

 **of their investment.**

Efficiency in Production & Labor

 3. A. Tell the advantage large companies had in manufacturing products? **Could manufacture enough products to supply**

 **the demand of a national market.**

 B. Tell about the quality and price of their product compared to the smaller company. **They often produced a better, more cost**

 **efficient product compared to that of a smaller company.**

 C. How did large companies attract expert managers? **high salaries**

 4. A. List 2 major meat packing companies that started?

 \_\_\_\_\_\_\_**Swift** \_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_**Armour** \_\_\_\_\_\_\_\_

 B. What invention made the meat packing industry possible?

 **The refrigerated train car.**

 5. How could large businesses force local or small companies out of business? **They would sell items for less, sometimes even at a**

 **loss for a short amount of time in a given area, forcing small**

 **companies or local businesses to close. Small businesses**

 **don’t have the inventory or cash flow to compete.**

 6. Define **monopoly - Exclusive control of a product or service in a**

 **particular market by a single company.**

7. What was the “Rags to Riches” theory? **People who started in**

 **business with next to nothing and became successful**

 **because of hard work and determination.**

Ways to Combine Companies

 8. Define: horizontal integration: **Several firms engaged in the**

 **same business were joined together. Expanded ownership in**

 **in one area of production in an industry. This type of**

 **integration could lead to the development of monopolies.**

 9. Define: vertical integration: **Joined businesses engaged in**

 **different but related activities. (Example: ownership may**

 **include a company that produces raw materials, a company**

 **that transports those raw materials, a company that develops**

 **those raw materials into a particular product, and a company**

 **that distributes and sells those products. ) This expanded**

 **ownership in all levels of production within an industry.**