



Economic Detective

Midland Welcomes Your Business!

Problem

Ms. Feechur, a recent college graduate with a minor in economics, is a new reporter for the *Daily Midlander*, the only newspaper in the small city of Midland. Her first assignment is to research and write a series of articles on the existing business organizations in Midland. One purpose of the articles is to prove that Midland is a business-friendly community. Use what you have learned in Chapter 8 to help you discover what kinds of business organizations Ms. Feechur finds.



Investigation 1

Ms. Feechur introduces her series with an article on the *Daily Midlander* itself, which everyone agrees keeps residents well informed on local, national, and international matters. Sarah Snews, eldest sister in the Snews Corporation, which owns and publishes the paper, seems especially pleased. While interviewing Sarah, Ms. Feechur senses that the Snews family is considering selling stock on the open market in the near future. Sarah even hints that the Snews Corporation is investigating the possibility of combining its business interests with the paper mill that supplies the *Daily Midlander* with newsprint.

1. (a) What form of business organization owns the *Daily Midlander*? _____
 (b) What form does Ms. Feechur think the ownership of the newspaper might become? _____
2. (a) What possibility of a merger does Ms. Feechur observe? _____
 (b) What kind of merger would it be? _____



Investigation 2

Ms. Feechur focuses on Midland's largest business organizations next. On her visit to Kurrly Kan Corporation, she learns the firm is planning to expand and will soon issue bonds. Kurrly Kan has decided to take the expansion route rather than accept an offer to merge with Geo Industries, which operates a TV network, a construction company, a lumber enterprise, and an auto parts distribution concern. Ms. Feechur makes sure her article mentions that Kurrly Kan actively supports Midland's Chamber of Commerce and its Manufacturers' League.

1. What pending investment opportunity does Ms. Feechur uncover? _____
2. What trade association appears in Ms. Feechur's report? _____
3. (a) What conglomerate could Ms. Feechur include in her article? _____
 (b) What business association? _____



Investigation 3

To conclude her series, Ms. Feechur visits small businesses on Main Street. She eats breakfast at Eggs 'n Stuff, where she finds owner Jane Skillett mailing a royalty check to parent headquarters in Central City. She calls at Three Doctors, a medical center started by Doctors Sooth, Kure, and Kumfort. Ms. Feechur's last stop is a small candle shop, where the owner is eagerly opening a letter she has been expecting from the local government.

1. (a) Which small business is most likely a limited partnership? _____
 (b) A business franchise? _____
2. Which business has probably recently applied for a business license? _____

