

Amalgamation

Advantages of Amalgamation:

- Competition between the companies gets eliminated
- R & D facilities are increased
- Operating Cost can be reduced
- Stability in the prices of the goods is maintained.

Disadvantages of Amalgamation

- It may lead to elimination of healthy competition.
- Reduction of employees may take place
- There could be additional debt to pay.
- Business combination could lead to monopoly in the market, which is not always positive.
- The goodwill and identity of the old company is lost.