

Business Studies THEME 2:

You may be tested on these key words so you should try your best to learn them!

- You could rewrite them, cover and test yourself, or ask others to test you
 - Top Tip: Use the word in a sentence!

KEY TERM	DEFINITION
Innovation	The art of creating new products or processes
Takeover	When one business buys another and incorporates it into their own business
Assets	Items owned by a business, such as premises equipment or stock
Dividends	A percentage of profits that are paid to shareholders as a reward for their investment
Culture	The general attitudes, behaviour and beliefs of a business and its workers
Product Portfolio	The range of goods and services offered by any one business
Exports	The flow of goods and services out of a country to another country
Trading bloc	A group of countries that agree to act together to promote trade between themselves
Profit margin	The proportion of revenue left over after costs have been deducted
Sustainability	Ensuring that natural resources are used responsibly, to protect the environment
Boycott	Refusing to buy from a particular business
Aesthetics	The visual attractiveness of something
Mass market	A large market where customers have similar needs
Stock	The products held by a business for sale to customers
Viral advertising	Advertising using social networking to increase sales or boost brand awareness
E-tailing	Retailing to customers through the internet (e.g. ecommerce website)
Procurement	The process of managing a business's major purchases
Perishable	Likely to go out of date or go off quickly
Competitive advantage	An advantage a business has over its rivals that is unique
Transaction	The act of buying or selling something

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KEY TERM	DEFINITION
Merger	When two or more businesses join together to become one business
Public limited company	An incorporated business that can sell shares to the public (PLC)
Interest	The cost of borrowing that must be repaid in addition to the amount borrowed
Stock exchange	A place where shares in PLC's can be bought and sold
Degree of competition	The number and size of businesses competing in a particular market
Organisational structure	The way in which the workforce is organised
Imports	The flow of goods and services into a country from another country
Tariff	A tax imposed on imports or exports
Ethics	Moral principles or standards that guide the behaviour of a business
Pressure group	A group of people who join together to try to influence government or business policy
Economies of scale	Average costs of production fall as a business increases the amount they produce
Niche market	A small market where customers have very specific needs
Retailing	Selling products or services to customers (e.g. in a shop)
Integrated marketing mix	A marketing mix that has a theme with all elements supporting each other
Bespoke	Designed and made for an individual customer
Standardised	When every example of a product is exactly the same as the others
Logistics	The management within a business of the transporting of raw materials and goods
Cost of sales	The direct costs of purchasing raw materials and producing finished products
Layers	The levels of job roles in a business (from highest paid to junior staff)
Retain	Keep something or someone

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KEY TERM	DEFINITION
Multinational	A business with operations in more than one country (MNC)
Secured	Guaranteed, because if the business fails to pay back money the bank can take/sell assets
Retrenchment	When a business downsizes by reducing the number of employees or closing branches
Product portfolio	The range of goods and services sold by a business
Domestically	At home or within a business's home country
Protectionist measure	An action taken by a government to reduce the flow of imports into their country
Localise	Adapt to suit the local area and its needs (e.g. culture, language)
Trade off	A balance between two opposing objectives
Green audit	A detailed review of a businesses impact on the environment
Lobbying	Trying to influence the government or other organisations
Discontinued	No longer produced or sold
Medium	The way in which something can be communicated
Sales promotion	A short term special offer (usually a discount)
Markup	The amount of money added to the cost price to make the final retail price
Third party platform	An ecommerce website or service that is run by an unrelated business
Patent	A legal protection of an invention, design or idea so no one can copy it
Automation	Using machinery or robotics to do a job instead of people
Supply chain management (SCM)	The management of the flow of goods/resources through the production process
Fluctuate	Rise and fall in number or amount
Quality mark	A standard of quality given to a business that is awarded by a professional body

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KEY TERM	DEFINITION
Research and development	Research into new products and developing the ideas generated from research
Market share	The proportion of sales in a market that are taken by one business
Finite resource	A resource that does not renew itself quickly enough to meet society's consumption (e.g. oil)
Generic	A characteristic relating to an entire group, not specific
Downtime	Time when a person or machine is not producing anything
Differentiate	Show that something (e.g. a product) is different from similar items
Inflation	The general increase in prices over time
Infographic	A graphic representation of information to make it easy to understand
Span of control	The number of employees that are managed by one manager
Accountability	Being responsible for something and being held responsible for its outcomes
Jargon	Technical words used by a group of people that others wouldn't understand
Freelancer	Someone who is self-employed and contracted by a business to work for them
Roles	The different jobs within a business
Responsibilities	The things that someone is required to do to fulfil their role in a business
Salary band	The range of salaries for the role being advertised
Productivity	The measure of how much work a business is able to complete
Legislation	The laws that a country must comply with
Motivation	Reasons for behaving in a particular way
Autonomy	Independence or the freedom to make your own decisions
Job satisfaction	The sense of achievement that an employee gets from their job