**Key Terms**

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| Assets | Items owned by a business, such as premises, equipment or stock |
| Cash flow | The amount of money coming in and going out of the business and the timing of the movement |
| Competitive advantage | An advantage a business has over its rivals that is unique and sustainable |
| Consumer | Someone who buys and uses goods and services |
| Costs | The amount is costs a business to produce a product or service |
| E-commerce | Using the internet to carry out business transactions |
| Economy | The system by which a country’s goods and services are produced, used and measured. It is a measure of a country’s wealth over time. |
| Enterprise | Entrepreneurial activity (can also mean a business or company) |
| Entrepreneur | Someone who creates a business, taking on financial risks with the aim of making a profit from the business |
| Ethics | Moral principles or standards that guide the behaviour of a person or business |
| Franchise | When one business gives another business permission to trade using its name and products in return for a fee and share of its profits |
| Franchisee | An entrepreneur who pays a fee to trade using the named and products of an established business |
| Franchisor | An established business that gives permission to an entrepreneur to trade using its name and products |
| Generic | A characteristic relating to an entire group, not specific |
| Innovation | The act of creating new products or processes |
| Market research | The process of gathering information about the market and customers’ needs and wants in order to help inform business decisions, including product design and marketing |
| Market share | The proportion of sales in a market that taken by one business |
| Marketing mix | The four ‘P’s of marketing, which are product, price, promotion and place |
| Mass market | A large market where customers have similar needs and characteristics |
| M-commerce | Using mobile technologies, such as smartphones and tablets, to carry out business transactions |
| Multinational | A business with operations in more than one country (also known as multinational corporation or MNC) |
| Niche market | A small market where customers have very specific needs or characteristics |
| Obsolete | Out of date or not used anymore |
| Partnership | A business that is owned by a group of two or more people who share the financial risk, the decision-making and the profits |
| Price | The amount a business charges for its products or services |
| Private limited company | An business that is owned by shareholders where shares can only be sold to friends, family and business links. |
| Profit | The amount of revenue left over once costs have been deducted |
| Public Limited Company | An business that can sell shares to the public (also known as a PLC) |
| Research and development | Research into new products or processes and developing ideas that are generated from research |
| Sales revenue | The amount of money that comes in from a business’s sales |
| Shareholders | Investors who are the part-owners of a company. They invest in the business in return for a share of the profits and voting rights at the AGM |
| Sole trader | A type of unincorporated business that is owned by just one person |
| Stakeholder | Anyone who has an interest in the activities of a business, such as its workers, its suppliers, its directors, the local community and the government |
| Unique selling point (USP) | Something that makes a product stand out from its competitors |