ability  Skill that an individual has already developed

accounting  The function of business that involves maintaining and auditing records, sending out and paying bills, and preparing financial reports for a business; The systematic process of recording and reporting the financial position of a person or an organization

accounting equation  A concept that states that assets must always equal the sum of liabilities and owner’s equity

accounts payable  The total amount a business owes to creditors

accounts receivable  The total amount of money owed to a business. It represents money to be received in payments after goods or services are sold on credit.

actual cash value  Value of an automobile when it was new minus depreciation

ad campaign  A series of ad messages that share a single idea and theme

advertising agency  A business that specializes in developing ad campaigns and ads for its clients

advertising  Paid, non-personal form of communication that businesses use to promote their products and services

ageism  Discrimination based on age

annual percentage rate (APR)  Cost of credit on a yearly basis

antitrust laws  Laws that allow the federal government to break up monopolies, regulate them, or take over them

aptitude  Potential for learning a skill

assets  Property or other items of value owned by a business

audience  The number of homes or people exposed to an ad

autocratic leadership  A leadership style in which one person runs everything and makes all decisions without consulting others

baby boom generation  Persons born in the United States between 1946 and 1964

background check  The process of verifying certain information provided by a job applicant

bait and switch  Sales tactic in which buyers are tempted by an advertised bargain but are then persuaded to buy a more expensive item instead

balance of trade  The difference in value between a country’s imports and exports over a period of time

balance sheet  A report of the balances in all asset, liability, and owner’s equity accounts at the end of an accounting period

bank account  A record of how much money a customer has deposited into or withdrawn from a bank

bank reconciliation  Process of seeing whether an account holder’s records agree with a bank’s records for an account

bank statement  The bank’s record of all the transactions in a bank account

bankruptcy  Legal process in which a borrower is relieved of debts after showing an inability to pay

banner ads  Ads displayed across the top or bottom of a computer screen

beneficiary  Someone who receives all or part of the proceeds of an insurance policy, or a survivor of a deceased policyholder

benefits  Extras that workers receive, such as health and life insurance, sick leave, retirement plans, and holiday pay

Better Business Bureau (BBB)  Nonprofit organization that collects information on local businesses and handles consumers’ complaints

body language  Nonverbal communication that includes posture, eye contact, facial expressions, and gestures

bond discount  Difference between the amount you pay for the bond and its face value
bond  Certificate issued by a government or company promising to pay back borrowed money at a fixed rate of interest on a specified date

boycott  A refusal to buy a company’s goods or services

brand name  Trade name for a product or service produced by a particular company

breach of contract  The failure of one party to live up to the terms of a contract

break-even point  The point at which total revenues, or sales, equal total costs and expenses of making and distributing a product or service

brick-and-mortar  Actual buildings, such as stores and warehouses

brokerage firms  Financial institutions that sell stocks and bonds and also may offer a wide range of financial services to clients

budget  A plan specifying how money will be issued or spent during a particular period

budget deficit  When the government spends more on programs than it collects in taxes

budget surplus  A situation in which a government’s revenue exceeds its expenditures during a one-year period

budget variance  Difference between the budgeted amount and the actual amount that is spent

bureaucracy  Formal organization with several levels of management

business  Any commercial activity that seeks profit by providing goods and services to others in exchange for money

business cycle  The rise and fall of economic activity over time

business ethics  Rules based on moral principles about how businesses and employees ought to conduct themselves

business etiquette  Conduct that is considered socially acceptable in business

business plan  A written description of a new business venture that describes all aspects of the business

capital  Money supplied by investors, banks, or owners of a business. Start-up capital is the money used to pay for the various assets and expenses of a new venture or business.

canceled checks  Checks that have been cashed

capital gain  Profit made from the sale of a financial asset such as stock or a house

capital loss  Amount lost when an asset is sold for less than its cost

capital resources  The things used to produce goods and services

career  Work history of one or more jobs in the same or related fields of interest

cash advance  Loan given in cash by a credit card company in anticipation of the borrower’s being able to repay it

cash flows  The amount of money that is available to a business at any given time

cash-value insurance  Insurance that provides both savings and death benefits; also called permanent insurance.

centralized organization  An organization that puts authority in one place—with top management

certificate of deposit (CD)  Type of savings account that requires a specified amount of money be deposited for a set period of time

channel of distribution  A pathway to direct products to consumers

charge account  Credit provided by a store or company for customers to buy its products

check  Written order directing a bank to pay money on demand to the person or company named on it

check register  Checkbook log in which an account holder records checking account transactions

chronological résumé  A list of your achievements in time order

claim  Request for payment from an insurer for any damages covered by an insurance policy
clearance sale  Sale to clear out goods that are going out of season or are no longer profitable

clicks-and-mortar  The use of both the Internet and buildings, such as stores and warehouses, to conduct business

code of ethics  A set of guidelines for maintaining ethics in the workplace

coinsurance  Percentage of medical expenses that a policyholder must pay beyond the deductible

collateral  Property or goods pledged by a borrower to use as security against a loan if the loan is not repaid

collectibles  Items that appeal to collectors and investors

collection agent  Person or business that collects payments for overdue bills

command economy  An economic system in which a central authority makes the key economic decisions

commercial banks  Banks that offer the entire range of banking services, such as checking and savings accounts, loans, and financial advice; also called full-service banks

commercial credit  Credit used by businesses

commodities  Items that are traded, especially unprocessed materials such as oil, food grains, and metals

commodities exchange  Exchange where investors can buy contracts for quantities of a given commodity for delivery at a future date

common stock  Stock that provides the most basic form of corporate ownership

comparative advantage  The ability of a country or company to produce a particular good more efficiently than another country or company

comparison shopping  Comparing the prices of competing brands or stores

compensation  Pay and benefits

competition  The contest between businesses to win customers

compound interest  Interest earned on both the principal—the money deposited into a savings account—and any interest earned on it

compulsory insurance law  Law that requires drivers to have a minimum amount of car insurance

computer  An electronic device that accepts, processes, stores, and outputs data at high speeds, based on programmed instructions

computer-aided design (CAD)  Software for designing products with a computer

conflict of interest  Conflict between self-interest and professional obligation

conservation  The process of preserving, protecting, and planning the management of resources

consolidation loan  Loan that combines all your debts into one loan with lower payments

consumer  Person who uses goods and services

consumer advocates  Groups and individuals who work to protect, inform, and defend consumers

Consumer Credit Protection Act or Truth in Lending Act  Federal law that requires creditors to inform consumers about the costs and terms of credit

consumer credit  Credit used by people for personal reasons

consumer movement  Movement to pass laws protecting consumers from unfair and unsafe business practices

consumer rights  Protections included in the Consumer Bill of Rights. They are: the right to be informed, the right to choose, the right to safety, the right to be heard, the right to have problems corrected, the right to consumer education, and the right to service.

contract  A legal agreement between two or more parties to do business

controllable risk  Risk that can be controlled to minimize the chance of harm
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>controlling</td>
<td>Keeping the company on track and making sure goals are met</td>
</tr>
<tr>
<td>cookies</td>
<td>Bits of information about a computer user that are stored on the computer user’s hard drive</td>
</tr>
<tr>
<td>cooperative</td>
<td>Organization that is owned and operated by its members</td>
</tr>
<tr>
<td>copayment</td>
<td>Fee paid each time a service is used</td>
</tr>
<tr>
<td>copyright</td>
<td>The exclusive legal right given to artists to own their creations</td>
</tr>
<tr>
<td>corporate bonds</td>
<td>Bonds issued by corporations to finance things such as construction and equipment</td>
</tr>
<tr>
<td>corporate culture</td>
<td>A company’s shared values, beliefs, and goals</td>
</tr>
<tr>
<td>corporation</td>
<td>Company that is registered by a state and operates apart from its owners</td>
</tr>
<tr>
<td>cosigner</td>
<td>Someone who agrees to be responsible for a debt if the main applicant does not pay it</td>
</tr>
<tr>
<td>cost per thousand (CPM)</td>
<td>The media cost of exposing 1,000 readers or viewers to an advertising impression</td>
</tr>
<tr>
<td>coupon rate</td>
<td>Rate of interest on a bond</td>
</tr>
<tr>
<td>cover letter</td>
<td>Letter that accompanies a résumé and tells the employer about an applicant, explaining why the person is applying for a job</td>
</tr>
<tr>
<td>credit</td>
<td>An agreement to get money, goods, or services now in exchange for a promise to pay in the future</td>
</tr>
<tr>
<td>credit counselor</td>
<td>Someone who helps consumers work out a plan for getting out of debt and managing their money</td>
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<tr>
<td>credit limit</td>
<td>The maximum amount a card holder can charge on a credit card</td>
</tr>
<tr>
<td>credit rating</td>
<td>A measure of a person’s ability and willingness to pay debts on time</td>
</tr>
<tr>
<td>credit report</td>
<td>Document showing a person’s credit history, including a record of past borrowing and repaying</td>
</tr>
<tr>
<td>credit unions</td>
<td>Not-for-profit banks set up by organizations for their customers to use</td>
</tr>
<tr>
<td>creditor</td>
<td>Person or organization that lends money or provides credit</td>
</tr>
<tr>
<td>culture</td>
<td>The beliefs, customs, and attitudes of a distinct group of people</td>
</tr>
<tr>
<td>current assets</td>
<td>Assets that are either used up or converted to cash during the normal cycle of the business</td>
</tr>
<tr>
<td>database management</td>
<td>A computer program used to store data organized especially for rapid search and retrieval</td>
</tr>
<tr>
<td>debit card</td>
<td>Bank card that immediately takes money from a checking account when it is used</td>
</tr>
<tr>
<td>debtor</td>
<td>Person who borrows money or uses credit</td>
</tr>
<tr>
<td>decentralized organization</td>
<td>An organization that gives authority to a number of different managers</td>
</tr>
<tr>
<td>deductible</td>
<td>Amount in damages a policyholder must pay before the insurance company pays a claim</td>
</tr>
<tr>
<td>deductions</td>
<td>Amounts that are taken from pay before a worker receives a paycheck</td>
</tr>
<tr>
<td>deflation</td>
<td>A general decrease in the cost of goods and services</td>
</tr>
<tr>
<td>delegating</td>
<td>Giving managers and employees the power to run things and make decisions.</td>
</tr>
<tr>
<td>demand</td>
<td>The amount or quantity of goods and services that consumers are willing to buy at various prices</td>
</tr>
<tr>
<td>democratic leadership</td>
<td>A leadership style in which managers work with employees to make decisions</td>
</tr>
<tr>
<td>demographics</td>
<td>Facts about the population</td>
</tr>
<tr>
<td>departmentalization</td>
<td>Dividing responsibility among specific units, or departments</td>
</tr>
<tr>
<td>deposit</td>
<td>The money put in a bank account</td>
</tr>
<tr>
<td>depreciation</td>
<td>Decline in value of an asset</td>
</tr>
<tr>
<td>depression</td>
<td>A deep recession that affects the entire economy and lasts for several years</td>
</tr>
</tbody>
</table>
desktop publishing  Software used to produce publications such as reports, newsletters, and magazines

digital workflow  Linking all the steps in a process digitally

direct deposit  The electronic transfer of a payment directly from the payer’s bank account to the account of the person being paid

direct distribution  Distribution of goods or services from the producer directly to the customer

direct-mail advertising  Ads sent by mail to people’s homes

discrimination  Unfair treatment of a person or group, usually because of prejudice about race, ethnicity, age, religion, or gender

diversify  To vary investments in order to spread risk or expand

diversity  A variety of employees with different backgrounds and identities

 dividends  A share of profits given to stockholders

down payment  A portion of the total cost that is paid when a product or service is purchased

employability skills  Basic skills that are needed to get, keep, and do well at a job

endorsement  Signature of the payee on the back of the check

entrepreneur  A person who recognizes a business opportunity and organizes, manages, and assumes the risks of starting and operating a business

entrepreneurial resources  The people who recognize opportunities and start businesses

entrepreneurial  Acting like an entrepreneur or having an entrepreneurial mindset

entrepreneurship  The process of recognizing a business opportunity, testing it in the market, and gathering the resources necessary to start and run a business

entry-level job  Job suitable for a worker who is new to a job, field, or subject

Environmental Protection Agency (EPA)  A federal agency that enforces rules that protect the environment and control pollution

Equal Credit Opportunity Act  Federal law stating that credit applications can be judged only on the basis of financial responsibility

Equal Pay Act  Law passed in 1964 that requires men and women be paid the same wages for doing equal work

equilibrium price  The point at which the quantity demanded and the quantity supplied meet

equity  Value of a piece of property less the amount still owed on the money borrowed to purchase it

ergonomics  Design factors for the workplace that are intended to maximize productivity by minimizing a worker’s discomfort

e-tail  Electronic retail

ethics  Moral principles by which people conduct themselves personally, socially, or professionally

e-tickets  Electronic tickets

e-workforce  People who work with computers while doing business
exchange rate  The price at which one currency can buy another currency

executive summary  A brief recounting of the key points contained in a business plan

expense  Amount of money used to buy or do something

exports  Goods and services that one country sells to another country

express warranty  Warranty that is explicitly stated, in writing or verbally

extended coverage  Other types of protection added to a basic insurance policy

extracurricular activities  Activities that students do besides schoolwork

extranet  An extension of the intranet of a company or organization that gives authorized outsiders controlled access to the intranet

finance  The function of business that involves money management

finance charge  The total amount it costs a borrower to have the lender finance the loan

finance companies  Financial institutions that offer short-term loans to businesses and consumers, but at much higher interest rates than banks charge

financial forecast  An estimate of a business's financial outlook for each of the next few years

financial institution  A firm that manages money

financial plan  A set of documents that outline the essential financial facts about a new firm or venture

financial responsibility law  Law that requires drivers to pay for any damages or injuries they cause in an accident

financial statements  Documents summarizing the changes resulting from business transactions that occur during an accounting period

fixed assets  Items of value that are held for more than one year

fixed expenses  Expenses that occur regularly and are regularly paid

fixed rate  An interest rate that always remains the same

Food and Drug Administration (FDA)  A federal government agency that protects consumers from dangerous or falsely advertised products

franchise  Contractual agreement to use the name and sell the products or services of a company in a designated geographic area

fraud  The crime of obtaining money or some other benefit by deliberate deception

free trade  Few or no limits on trade between countries

free-rein leadership  A leadership style that requires the leader to set goals for managers and employees and then leaves them alone to get the job done

frequency  The number of times an audience sees or hears an ad

full warranty  A guarantee about the quality of goods or services.

full-time job  A job that requires at least 40 hours of work each week

features of production  All the economic resources necessary to produce a society's goods and services

Fair Credit Billing Act  Federal law that requires creditors to correct billing mistakes brought to their attention

Fair Credit Reporting Act  Federal law that allows individuals to examine and correct information used by credit reporting agencies

Fair Debt Collection Practices Act (FDCPA)  Federal law that serves to regulate collection agencies

Federal Deposit Insurance Corporation (FDIC)  Government agency that insures bank accounts

Federal Reserve System  The central bank of the United States

Federal Trade Commission (FTC)  Agency that enforces antitrust laws and regulates interstate trade

frequency  The number of times an audience sees or hears an ad

full warranty  A guarantee about the quality of goods or services.

full-time job  A job that requires at least 40 hours of work each week
**Garnishment of Wages** A court order to take all or part of a debtor’s paycheck if he or she stops making payments.

**Generally Accepted Accounting Principles (GAAP)** Rules that provide a way to communicate financial information to others.

**Generic Products** Plainly labeled, unadvertised products that are sold at lower prices than brand-name goods.

**Global Economy** The interconnected economies of the nations of the world.

**Goals** Things to be accomplished.

**Goods** Physical products.

**Grace Period** Amount of time allowed to repay a debt without having to pay interest charges.

**Grade Labels** Labels indicating the level of quality of foods.

**Gross Domestic Product (GDP)** The total value of the goods and services produced in a country in a given year.

**Gross Pay** The total amount of money a worker earns for a specific time.

**Group Training** Teaching several employees together.

**Hacker** A person who illegally gains access to and sometimes tampers with information in a computer system.

**Hardware** The physical components of a computer system.

**Hazard** Anything that increases the likelihood of loss through peril.

**Health Maintenance Organization (HMO)** Organization that provides health care at its own health centers for a fixed fee.

**Hierarchy** A formal chain of command with one person at the top who makes all the decisions.

**Homeowners Policy** Insurance that covers damage to property and personal property, additional living expenses if a home is destroyed, and liability protection.

**Human Relations** The study of how people interact in the workplace and how communication can be improved.

**Human Resources** The people employed in a business, commonly referred to as personnel.

**Human Resources Management** The process of finding, selecting, training, and evaluating employees.

**Human Risk** The risk of harm caused by human mistakes, dishonesty, or another risk that is attributable to people.

**Identity Theft** Theft of a person’s financial information for the purpose of committing fraud under that person’s identity.

**Imports** Goods and services that one country buys from another country.

**Impression** A single exposure to an advertising message.

**Impulse Buying** The act of making unplanned purchases.

**Income** The actual amount of money earned or received during a given period.

**Income Property** Property used to generate income.

**Income Statement** A report of the revenue, expenses, and net income or net loss for an accounting period.

**Indirect Distribution** Distribution involving one or more intermediaries.

**Inflation** A general increase in the cost of goods and services.

**Inflation Risk** Risk that the rate of inflation will increase more than the rate of interest on savings.

**Infomercial** A 30-minute commercial.

**Information Technology (IT)** Using computing, electronics, and telecommunications to process and distribute information in digital and other forms.

**Initiative** The ability to act and make decisions without the help or advice of others.
**installment loans** Loans repaid in regular payments over a period of time

**insurable risk** Risk that meets an insurance company’s criteria for insurance coverage

**insurance** Paid protection against loss due to injury or property damage

**insurance companies** Financial institutions that provide protection against problems such as fire and theft

**insurance policy** A contract between a person and an insurance company to cover a specific risk

**integrity** An adherence to a code of ethical values, such as honesty, loyalty, and fairness

**interest** A fee charged for the use of money

**interest-bearing account** An account that pays earns interest on the balance for the depositor

**interests** An individual’s favorite activities

**intermediary** A business that moves goods from one business to another

**international trade** The exchange of goods and services between nations

**Internet** A global computer network that connects many computer networks to allow information to flow freely around the world

**internship** A temporary paid or unpaid position that involves direct work experience in a career field

**interstate commerce** Business that takes place between states

**intranet** A computer network within an organization

**intrastate commerce** Business within each state

**investing** Committing money or capital in order to gain a financial return

**job interview** A formal face-to-face discussion between an employer and a potential employee

**job objective** A statement about the type of job a job applicant wants

**job shadowing** The act of following another worker for a few days on a job

**labor resources** Individuals who make the goods and services for which they are paid

**leadership** Taking a company and its employees in a direction based upon a vision

**leading** Providing direction and vision

**legal monopoly** A company that is allowed to operate without competition

**liabilities** Creditors’ claims to the assets of a business

**licenses** Legal permits to conduct business

**life insurance** Insurance that is paid to a person or people designated to receive the funds when the insured person dies

**limited liability** A claim that holds a firm’s owners responsible for no more than the capital that they have invested in it

**limited warranty** A warranty that covers only certain parts of a product or requires the customer to bear some of the expense when repairs are needed

**line and staff authority** An organizational structure with direct lines of authority as well as staff who advise line personnel

**line authority** An organizational structure in which managers at the top of the line are in charge of those beneath them, and so on

**liquidity** The ability to quickly turn an investment into cash

**loss leaders** Advertised products that sell at a loss to bring customers into a store

**job** Work that people do for pay; also known as an occupation

**job description** A detailed outline of the duties, qualifications, and conditions required to do a specific job
**Management** The process of achieving company goals by planning, organizing, directing, controlling, and evaluating the effective use of resources

**Manufacturers** Businesses that make finished products out of processed goods

**Market** A group of customers who share common wants and needs

**Market economy** An economic system in which economic decisions are made in the marketplace, where buyers and sellers meet to exchange goods and services, usually for money

**Market research** The gathering and analysis of information on the size, location, and makeup of a product market

**Market segmentation** The division of a market for a product into groups of customers who have the same needs and traits

**Marketing** The process of planning, pricing, promoting, selling, and distributing ideas, goods, and services

**Marketing concept** The process of determining the wants and needs of customers and providing them more efficiently and effectively than competitors

**Marketing mix** The four main elements of marketing, also called the four Ps: product, place, price, and promotion. It sometimes includes a fifth P, for people.

**Mass media** Means of communication, such as television, radio, and newspapers

**Maturity date** The date when the money deposited into a certificate of deposit becomes available to the depositor

**Media planning** The process of selecting advertising media and deciding the time and space in which the ads should appear

**Medicaid** Federally and state-funded health-care plan for people who are unable to pay for insurance or health care

**Medicare** U.S. government’s major health insurance program for the elderly

**Middle managers** Managers who carry out the decisions of top management

**Mission statement** A statement that expresses the specific aspirations of a company, the major goals for which it will strive

**Mixed economy** A combination of a market economy and a command economy

**Monetary system** A system in which goods and services are directly exchanged using money

**Money** A standard of value and a means of exchange or payment

**Money management** A method of planning to get the most from one’s money

**Money market deposit account** A form of money market fund offered by banks, savings and loans, and credit unions

**Money market fund** A type of mutual fund, or pool of money, put into a variety of short-term debt (less than one year) by businesses and governments

**Monopoly** A company that controls an industry or is the only one to offer a product or service

**Mortgage** An agreement in which a borrower gives a lender the right to take property if a loan is not repaid

**Mortgage companies** Financial institutions that provide loans specifically for buying a home or business

**Multi-channel retailer** A company that uses several means to sell products

**Multinational corporation** A company that does business in many countries and has facilities and offices around the world

**Municipal bonds** Bonds issued by local and state governments to finance city, town, or regional projects such as schools, highways, and airports

**Mutual fund** A fund created by an investment firm that raises money from many shareholders and invests it in a variety of stocks or other investments
**national debt**  The total amount of money a government owes

**natural resources**  Raw materials from nature used to produce goods

**natural risk**  The possibility of a catastrophe such as a flood, tornado, hurricane, fire, lightning, drought, or earthquake

**needs**  Things that you must have in order to survive

**net pay**  Gross pay minus deductions

**networking**  The practice of building informal relationships with people whose friendship could bring advantages such as job or business opportunities

**no-fault insurance**  Insurance that requires drivers involved in accidents to collect damages from their own insurance companies no matter who is at fault

**nonprofit organization**  A type of business that focuses on providing a service rather than making a profit

**Occupational Safety and Health Administration (OSHA)**  A division of the U.S. Department of Labor that sets and enforces work-related health and safety rules

**oligopoly**  A small number of companies that control an industry

**on-the-job training**  Learning a new job by actually doing it

**operating system**  Software that controls the operation of a computer and directs the processing of programs

**operational managers**  Managers who are responsible for the daily operations of a business

**opportunity cost**  What you give up when you make one choice instead of another, sometimes called a tradeoff

**organizational chart**  A chart that shows how the firm is structured and who is in charge of whom

**organizing**  Getting resources arranged in an orderly and functional way to accomplish goals and objectives

**orientation**  The process of helping new employees adjust to a company

**outsourcing**  Using outside sources to do tasks traditionally handled by internal staff

**outstanding checks**  Checks that have been written but have not yet been cashed

**overdraft protection**  A line of credit for overdrawn checks

**overdrawn**  Having written checks for more money than the balance in the account

**owner’s equity**  An owner’s claims to the assets of a business

**partnership**  A business owned by two or more people who share its risks and rewards

**patent**  A legal grant for the sole right to own an invention

**performance appraisal**  An evaluation of how well an employee is doing a job

**peril**  Anything that may possibly cause a loss

**personal financial planning**  Spending, saving, and investing money to assure a certain kind of lifestyle as well as financial security

**personal property**  Possessions that can be moved, such as furniture, jewelry, and electronic equipment

**personality**  The sum total of a person’s feelings, actions, habits, and thoughts; characteristics that make someone special

**planning**  The act or process of creating goals and objectives as well as the strategies to meet those goals and objectives

**pollution**  The contamination of air, water, and land

**pop-up ads**  Ads that appear for a few seconds when a computer user first logs on to the Internet or clicks on to a Web site
precious gems  Rough mineral deposits (usually crystals) that are dug from the earth by miners and then cut and shaped into brilliant jewels

precious metals  Valuable ores such as silver, gold, and platinum

pre-existing condition  Serious health condition diagnosed before a person obtained health insurance

preferred provider organization (PPO)  Group of doctors and hospitals that agree to provide specified medical services to members at prearranged fees

preferred stock  Stock that gives the owner the advantage of receiving cash dividends before common stockholders receive any

premium  The price an insured person or business pays for insurance protection for a specified period of time

presentation program  Software for creating slide shows for presentations

price discrimination  Act of charging various prices for the same product or service in different markets or to different customers

price  The amount of money given or asked for when goods and services are bought or sold

prime time  The time period when the TV or radio audience is the largest

principal  The amount of borrowed money that is still owed and on which interest is based

privatization  Hiring a business to offer a public good or service

proceeds  The face value of a life insurance policy

processors  Businesses that change raw materials into more finished products

procurement  The buying and reselling of goods that have already been produced

producer  A business that gathers raw products in their natural state

product liability  The legal responsibility that manufacturers have to make a safe product

production  The process of creating, expanding, manufacturing, or improving goods and services

profit  The money left over after a business has paid the cost of providing its goods and services

promotion  A move to a higher-level job that has more authority, responsibility, and pay

promotional sale  A sale that offers a special buy on a new product or product that is in season

property  Anything of value that is owned or controlled

prosperity  A peak of economic activity

protectionism  The practice of the government putting limits on foreign trade to protect businesses at home

pure risk  The threat of a loss with no opportunity for gain

qualifications  Education, skills, and work experience needed to do a particular job

quota  A limit placed on the quantities of a product that can be imported

random access memory (RAM)  A computer memory used to hold all of the data and instructions required during operations

rate of return  The percentage of increase in the value of savings from earned interest

real estate  Land and anything attached to it, such as buildings or natural resources

real estate agent  A person licensed to arrange the buying and selling of homes and other types of real estate

real property  Property attached to land, such as a house, business, garage, or other building

recall  An order to take back and repair or replace a product that has defective parts

recession  A slowdown of economic activity

recovery  A rise in business activity after a recession or depression
**Key Terms Glossary**

**recruitment** Actively looking for qualified people to fill a job

**recycling** The collecting of products for processing so that they can be used again

**reference** Someone who comments on a job applicant’s character and qualifications for a job

**regular savings account** A savings account that allows consumers to deposit or withdraw money at any time and to earn interest on deposited funds

**relationship marketing** A strategy to build customer relations

**rental property** Any type of dwelling unit or other property rented for a length of time

**renters insurance** Insurance that covers loss or damage to a renter's personal possessions

**replacement value** The full cost of repairing or replacing property, regardless of its depreciation value

**repossession** To take back

**reserves** Funds set aside for emergencies, such as a rush of withdrawals at a bank

**residential property** Property in which an individual or family lives

**resources** Items that people can use to make or obtain what they need or want

**résumé** A summary of an individual's skills, education, and work experience

**retailer** A business that purchases goods from a wholesaler and sells them to the consumer, the final buyer of the goods

**revenue** The income that governments get from all sources; the money that comes into a business from the sale of goods and services

**rider** An addition to an insurance policy that covers specific property or damages

**risk** The possibility of loss or injury

**risk management** The systemic process of managing risk to achieve your objectives

**safe-deposit box** A secure box in a bank's vault for the safe storage of a customer’s valuables

**salary** A fixed amount of pay for each week, month, or year

**saving** Putting money aside for future use

**savings and loan associations** Financial institutions that hold customers’ funds in interest-bearing accounts and invest mainly in mortgage loans

**savings bonds** Registered bonds that are sold in denominations of $50 to $10,000

**scarcity** A shortage of resources

**search engine** A computer program that searches for specific words on the Internet and returns a list of documents in which they were found

**secured loan** A loan backed by collateral

**security** A tradable document that shows evidence of debt or ownership

**self-managed teams** Work groups that supervise themselves. With these teams, the manager’s role is replaced by the team leader’s role.

**separation** Leaving a company for any reason

**services** Tasks that businesses perform for consumers

**signature card** A record of a bank customer's signature used by the bank to verify the customer's identity

**simple interest** Interest earned only on money deposited into a savings account, called the principal

**skill** The ability to perform a task based on training and experience

**small business** An independently owned business that usually has the owner as its manager

**Small Business Administration (SBA)** A U.S. agency that protects the interests of small businesses

**social responsibility** The duty to do what is best for the good of society
software  A computer program that contains a set of instructions that tell a computer what to do
sole proprietorship  A business owned by only one person
spreadsheet  A computerized worksheet for entering and charting data
standard fire policy  Insurance that covers damage due to fire or lightning
standard of living  The level of material comfort as measured by the goods and services that are available
start-up  A newly formed business that usually is small
statement of cash flows  A financial report that shows incoming and outgoing money during an accounting period (often monthly or quarterly)
stereotype  To identify a person by a single trait or as a member of a certain group rather than as an individual
stock exchange  An organized market for buying and selling financial securities
stock  Share of ownership in a business
stockbroker  A person who buys and sells stocks, bonds, and other securities for clients
stop payment  An order for a bank not to cash a particular check
subsidies  Grants given to lower costs
supply  The amount of goods and services that producers will provide at various prices
surplus  Extra money that can be spent or saved
sweatshop  A shop or factory in which workers are employed for long hours at low wages and under unhealthy conditions

target marketing  Marketing that helps companies focus on the people most likely to buy their goods or services.
tariff  A tax placed on imports to increase their price in the domestic market
tax  An amount of money people and businesses pay governments to help run a nation, state, county, city, or town
tax incentives  Reductions in taxes that a government gives to a business or an individual to encourage a particular behavior
telecommunications  The transmission of information over communication lines
telecommuting  An arrangement that allows employees to work at home while communicating with the workplace by phone, fax, or modem
term insurance  Insurance that covers a person for a specific period of time
test-market  Offering a product in a limited market for a limited time
top-level managers  Managers who are responsible for setting goals and planning for the future as well as leading and controlling the work of others
trade  The activity of buying and selling goods and services in domestic or international markets
trademark  A name, symbol, or characteristic that identifies a product
transfer  A move to another job within a company at the same level and pay
transit advertising  Posters placed on the sides of buses, in subway stations, inside trains, and at airports
trust  A group of companies that band together to form a monopoly and cut out competition
turnover  The number of employees who leave an organization and are replaced over a certain period
uncontrollable risk  Risk that cannot be controlled to minimize the chance of harm
undeveloped property  Unused land intended only for investment purposes
uninsurable risk  Risk that is unacceptable to insurance carriers because the likelihood of loss is too high
unlimited liability  A liability that holds the owner fully responsible for a company's debts
unsecured loan  A loan that is not backed by collateral
usury law  A law restricting the amount of interest that can be charged for credit
values  Important beliefs and ideas that guide a person's decisions and life
variable expenses  Expenses that change and can be controlled more easily than fixed expenses
variable rate  An adjustable interest rate charged by financial institutions such as banks
virtual business or dot-com company  A business that operates on the Internet
virtual reality  An artificial, three-dimensional visual world created by a computer
virus  A program that is part of another and inserts copies of itself, often damaging the stored data
vision statement  A statement that establishes the scope and purpose of a company and reflects its values and beliefs
volunteerism  Working without pay
wage  An amount of money paid to an employee on an hourly basis
wants  Things that a person does not have to have to survive, but would like to have
warranty  A written guarantee from the manufacturer or distributor that states the conditions under which a product can be returned, replaced, or repaired
wearable computer  A small portable computer that is designed to be worn on the body during use
Web browser  A computer program used for displaying and viewing Web pages
webcast  A broadcast made on the Internet
wholesaler  A business that distributes goods; also known as a distributor
withdrawal  The money taken out of a bank account
word processing  Writing, editing, and producing documents, such as letters and reports, through the use of a computer program
World Wide Web  A system for accessing, changing, and downloading a large set of hypertext-linked documents and other files located on computers connected through the Internet
yield  The amount of money an investment earns
access The act of approaching or entering; to get at
accommodation The provision of what is needed; adaptation or adjustment
accumulate To increase gradually in quantity or number
accurate Free from error, especially as the result of care
achieve To carry out successfully; accomplish
achievement A result gained by effort
acquire To get as one’s own
adaptable Capable of changing
adequate Sufficient for a specific requirement
adjust To adapt or conform
administrator One who manages or supervises
affect To produce an effect upon
allocate To apportion for a specific purpose or to particular persons or things
alteration The act of making something different
alternative One of two or more things, courses, or propositions to be chosen
analyze To study or determine the nature and relationship of component parts
annual Occurring or happening every year or once a year
anticipate The act of looking forward
approach The taking of preliminary steps toward a particular purpose
area A geographic region
assemble To bring together for a particular purpose
assess To determine the importance, size, or value
assignment A specified task
associate To connect one thing with another in the mind
assurance A statement intended to inspire confidence
attach To fasten one thing to another
attitude A feeling or emotion toward a fact or state
author One who originates or creates
authority The power to influence or command thought, opinion, or behavior
authorize To invest with legal authority
automatic Done by machine; mechanical
available Present or ready for immediate use
aware Having or showing realization, perception, or knowledge
behalf In the interest of or to benefit someone else
benefit An advantage
bond An interest-bearing certificate of public or private indebtedness
bulk Not divided into parts or packaged in separate units
challenging Arousing competitive interest, thought, or action
civil Of or relating to citizens
comment To make an observation or remark expressing an opinion or attitude
commission A fee paid to an agent or employee for transacting a piece of business or performing a service
commit To pledge or assign
common Shared by two or more parties
communicate To transmit information, thought, or feeling so that it is satisfactorily received or understood
community A body of persons of common and especially professional interests scattered through a larger society
compare To examine and note the similarities or differences of
complement To fill out or complete
complex A whole structure (such as a building) made up of interconnected or related structures
comprehensive Covering completely or broadly
concept Something conceived in the mind
conduct A mode or standard of personal behavior
conflict Competitive or opposing action of incompatibles
consider To think about carefully
consist To be composed or made up—usually with of
constant Continually occurring or recurring
contact To get in communication with
contribute To play a significant part in bringing about an end or result
control To exercise power or influence over something
controversy A discussion marked especially by the expression of opposing views
conversely Reversed in order, relation, or action
convert To change from one form or function to another
convince To bring to belief, consent, or a course of action
cooperate To act or work with another or others
create To produce or bring about by a course of action or behavior
criteria Standards on which a judgment or decision may be based
crucial Of extreme importance
data Factual information used as a basis for reasoning, discussion, or calculation
decade A period of 10 years
decline The state of decreasing
demand An urgent request
demonstrate To illustrate and explain, especially with examples
design To devise for a specific function or end
despite In spite of
determine To settle or decide by choice of alternatives or possibilities
device A piece of equipment
display To put or spread before the viewer
dispose To get rid of
dispute A disagreement
distinct Distinguishable to the eye or mind as discrete; separate
distribute To divide among several or many
diverse Differing from one another
document A writing conveying information
duration Time during which something exists or lasts
determine To settle or decide by choice of alternatives or possibilities
device A piece of equipment
display To put or spread before the viewer
dispose To get rid of
dispute A disagreement
distinct Distinguishable to the eye or mind as discrete; separate
distribute To divide among several or many
diverse Differing from one another
document A writing conveying information
duration Time during which something exists or lasts
e
edit To alter, adapt, or refine, especially to bring about conformity to a standard or to suit a particular purpose
element A constituent part
eliminate To put an end to; remove
emphasis Special importance or significance
enable To make possible, practical, or easy
encounter To come upon or experience, especially unexpectedly
enforce To carry out effectively
enormous Marked by extraordinarily great size, number, or degree
ensure To make sure, certain, or safe
error Something produced by mistake
establish To gain full recognition or acceptance
estate The assets and liabilities left by a person at death
estimate To determine roughly the size, extent, or nature of
ethnic Of or relating to large groups of people classed according to common racial, national, tribal, religious, linguistic, or cultural origin or background
evaluate To determine the significance, worth, or condition of, usually by careful appraisal and study
evident Capable of being seen or noticed
Academic Vocabulary Glossary

**exceed** To be greater than or superior to
**expand** To increase the extent, number, volume, or scope of
**expert** Someone with special knowledge or ability

**facilitate** To help bring about
**factor** One that actively contributes to the production of a result
**feature** A prominent part or characteristic
**federal** Of or relating to the central government or a federation as distinguished from the governments of the constituent units
**fee** A sum paid or charged for a service
**final** Last in a series, process, or progress
**flexible** Characterized by a ready capability to adapt to new, different, or changing requirements
**fluctuate** To shift back and forth uncertainly
**focus** To concentrate attention or effort
**formula** A group of symbols associated to express facts or data concisely
**function** The action for which a person or thing is specially fitted or used or for which a thing exists
**fund** A sum of money or other resources set apart for a specific purpose

**gender** A sex, or the behavioral, cultural, or psychological traits typically associated with one sex
**generate** To bring into existence, produce
**goal** The end toward which effort is directed
**grant** To give or transfer formally
**guarantee** An assurance for the fulfillment of a condition
**guideline** An indication of policy or conduct

**hence** Because of a preceding fact or premise

**identify** To establish the identity of
**illustrate** To show clearly
**image** A visual representation of something
**impact** A significant or major effect
**incentive** Something that incites or has a tendency to incite to determination or action
**incline** To lean, tend, or become drawn toward
**income** A gain or recurrent benefit usually measured in money that derives from capital or labor
**incorporate** Unite or work into something already existent so as to form an indistinguishable whole
**indicate** To point out or point to
**individual** A single human being
**initiate** To cause or facilitate the beginning of
**injure** To inflict bodily harm
**insert** To put into something
**instance** A step, stage, or situation viewed as part of a process or series of events
**institution** An established organization or corporation
**integral** Essential to completeness
**integrity** The quality of possessing firm moral principles and values
**interact** To act together, toward others, or with others
**intermediate** Being or occurring at the middle place, stage, or degree between extremes
**internal** Of, relating to, or occurring on the inside of an organized structure
**involve** To engage as a participant
**issue** To put forth or distribute, usually officially
**item** A distinct part in an enumeration, account, or series; an article
Academic Vocabulary Glossary

J

**justify** To prove or show to be just, right, or reasonable

L

**label** To describe or designate with or as if with a label

**labor** Human activity that provides goods or services in an economy

**link** To couple or connect

**locate** To determine or indicate the place, site, or limits of

M

**maintain** Keep in an existing state

**major** Greater in dignity, rank, importance, or interest

**manual** A book that is conveniently handled; a handbook

**mature** To become due

**mean** To indicate or signify

**media** Channels or systems of communication, information, or entertainment

**medical** Of, relating to or concerned with physicians or the practice of medicine

**medium** Intermediate in quantity, quality, position, size, or degree

**mental** Of or relating to the mind

**method** A procedure or process for attaining an object

**military** Of or relating to soldiers, arms, or war

**minimize** To reduce or keep to a minimum

**minimum** The least quantity assignable, admissible, or possible

**mode** Particular form or variety of something

**modify** To make less extreme

**monitor** To watch, keep track of, or check

**mutual** Shared in common

N

**network** A group of radio or television stations linked by wire or radio relay

**nevertheless** In spite of that; however

**nuclear** Produced by a nuclear reaction (as fission)

O

**objective** Something toward which effort is directed

**observe** To watch carefully

**obtain** Gain or attain, usually by planned action or effort

**occurrence** Something that occurs; an event

**option** An alternate course of action; a choice

**order** A request or demand

**overall** Including everything

**overseas** Situated, originating in, or relating to lands beyond the sea

P

**panel** A group of persons who discuss a topic of public interest

**participate** Have a part or share in something

**partner** A member of a partnership, especially in a business

**percentage** The result obtained by multiplying a number by a percent

**perform** To carry out a function

**period** A portion of time determined by some recurring phenomenon

**physical** Having material existence

**plus** In addition to

**policy** A definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions

**portion** A part or share of something

**pose** To pretend to be someone else
Academic Vocabulary Glossary

potential  Existing in possibility
predict  To declare or indicate in advance
primary  Of first rank, importance, or value
prime  Having the highest quality or value
principle  A rule or code of conduct
priority  Something given or meriting attention before competing alternatives
process  A series of actions or operations leading to an end
professional  One who engages in a pursuit or activity professionally
prohibit  Forbid by authority
project  To plan, figure, or estimate for the future
publication  A published work such as a magazine or journal
purchase  To obtain by paying money or its equivalent
purpose  The goal or intended outcome of something
pursue  Employing measures to obtain or accomplish
remove  Get rid of; eliminate
require  Demand as necessary or essential
research  To collect information about a particular subject
resolved  Cleared up, decided
resource  A source of supply or support
respond  To react in response
restore  To bring back to or put back into a former or original state
restrict  To confine within bounds
retain  Keep in possession or use
reveal  To make publicly or generally known
revise  Look over again in order to correct or improve
role  A function or part performed, especially in a particular operation or process
route  An established or selected course, travel, or action

scenario  An account or synopsis of a possible course of action or events
schedule  A procedural plan that indicates the time and sequence of each operation
scheme  An elaborate and systematic plan of action, especially a crafty or secret one
section  A distinct part or portion of something written
sector  A sociological, economic, or political subdivision of society
secure  Free from risk or loss
seek  Go in search of
series  A number of things or events of the same class coming one after another in spatial or temporal succession
set  Put into a position
shift  To change the place, position, or direction of
significant  Of a noticeably or measurably large amount
similar  Having characteristics in common
simulate  To give or assume the appearance or effect of
sole  Having no sharer; being the only one
source  One that provides information
specific  Applying to, characterized by, or
distinguishing something particular, special,
or unique
stable  Firmly established
strategy  A careful plan or method
stress  To emphasize
structure  Coherent form or organization
submit  Present or propose to another for
review, consideration, or decision
sufficient  Enough to meet the needs of a
situation
suggest  To mention or imply as a possibility
sum  The result of adding numbers
summary  An abstract, abridgment, or
compendium
supplement  Something that completes or
makes an addition
survey  A detailed critical inspection
survivor  One who remains alive after death
sustain  To give support or relief to
symbol  Something that stands for or
suggests something else by reason of
relationship, association, convention, or
accidental resemblance
trace  Discover signs, evidence, or remains of
tradition  An inherited, established, or
customary pattern of thought, action, or
behavior
transferable  The ability to be moved to a
different place, region, or situation
transit  The transportation of passengers
by means of a local public transportation
system
transmit  To send or convey from one person
or place to another
transport  To transfer or convey from one
place to another
trend  A prevailing tendency or inclination

ultimate  Last in a progression or series
undergo  Submit to
unique  Distinctively characteristic
utilize  To make use of

valid  Having legal efficacy or force
vary  To make differences between items
vehicle  A means of carrying or transporting
something
version  A form or variant of a type or original
via  By way of
vision  An image or concept in the imagination
visual  capable of being seen; visible

welfare  The state of doing well, especially in
respect to good fortune, happiness, well-
being, or prosperity