



Subject Specialist Vocabulary-Business Studies



Profit

When the difference between the selling price of an item being produced is higher than the cost of all the resources used to make it.

Asset

An item owned by a company which has value and can be used in the financing of the company.

Start up costs

The money spent when setting up a new business.

Consumer

A person who buys goods and services for personal use.

Prefix: **co / con** - together, altogether

Suffix: **er** - person or thing performing an action

Root Word: consume

Revenue

Income; the amount of money earned by a business.

Prefix: **re** - again, back

Root Word: ven - coming

Liabilities

Things for which someone is legally responsible.

Operating costs

The expenses of running a business day-to-day, e.g. wages, resources, rent, etc.

Root Word: opera - work

Expenditure

Payment of cash or cash-equivalent for goods or services, or a charge against available funds in settlement of an obligation as evidenced by an invoice, receipt, voucher, or other such document.

Variable costs

Business costs which can change, e.g. the cost of raw materials.

Suffix: **able** - can be done

Root Word: vary

Fixed Costs

A periodic cost that remains more or less unchanged irrespective of the output level or sales revenue, such as depreciation, insurance, interest, rent, salaries, and wages.



Challenge Vocabulary-Business Studies



Franchise

Permission, rights, e.g. permission to sell another company's brand of products.

Stakeholders

The people or groups that have an interest in a business, event or commodity.

Qualitative research

Information collected about opinions, feelings and sensory data.

Suffix: **ive** - like, by nature

Root Word: quality - what sort?

Quantitative research

Numerical information which can easily be measured, e.g. amounts of items, values, etc.

Suffix: **ive** - like, by nature

Root Word: quantity - how much?

Marketing mix

The combination of product, price, place and promotion used to market a brand, product, company, etc.

Root Word: market

Break even analysis

The process of working out how much produce needs to be sold to cover the costs of the business.

Acid test ratio

In finance, the Acid-test or quick ratio or liquidity ratio measures the ability of a company to use its near cash or quick assets to extinguish or retire its current liabilities immediately.

Liquidity

Liquidity is the term used to describe how easy it is to convert assets to cash. The most liquid asset, and what everything else is compared to, is cash.

Hierarchical structure

A chain of command that looks like a pyramid, with a large base of workers, who are directly supervised by the smaller level above them, who are in turn supervised by the level above them, continuing on to the top ranking officer such as the company President or CEO.

Cash flow forecasting

Estimate of the timing and amounts of cash inflows and outflows over a specific period (usually one year). A cash flow forecast shows if a firm needs to borrow, how much, when, and how it will repay the loan.