**Key Terms**

Use your class notes and Tutor2u to help you complete your Key Terms list.

This could be done in your Private Study periods. Remember that you will be tested on key terms at the end of each topic area!

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| 1.1 Different types of business activity | |
| Primary sector |  |
| Secondary sector |  |
| Manufacturing sector |  |
| Tertiary sector |  |
| Distribution |  |
| Retail |  |
| Chain of production |  |
| 1.2 Different sectors of operation | |
| Public sector |  |
| Private sector |  |
| Third sector |  |
| Charity |  |
| Commercial organisation |  |
| Tax |  |
| 1.3 Different forms of legal business ownership  and  1.4 Factors which inform business ownership | |
| Unlimited liability |  |
| Limited liability |  |
| Sole trader |  |
| Partnership |  |
| Private limited company (Ltd) |  |
| Public limited company (Plc) |  |
| Perpetual succession |  |
| Shareholder |  |
| Share capital |  |
| Memorandum of association |  |
| Articles of association |  |
| Annual report |  |
| Deed of Partnership |  |
| Partnership Act |  |
| VAT |  |
| Income Tax |  |
| Corporation Tax |  |
| The Charities Act |  |
| Trustee |  |
| 1.5 Differing aims and objectives | |
| Survival |  |
| Breakeven |  |
| Revenue |  |
| Cost |  |
| Profit |  |
| Expansion |  |
| Market share |  |
| Provision |  |
| Quality |  |
| Value for money |  |
| Ethical behaviour |  |
| Social responsibility |  |
| Being enterprising |  |
| 2.1 Key tasks of functional areas of business | |
| Functional area |  |
| Finance |  |
| Financial control |  |
| Marketing |  |
| Media |  |
| Social media |  |
| Sales |  |
| Human resources (HR) |  |
| Recruitment |  |
| Redundancy |  |
| Remuneration |  |
| Reward system |  |
| Operations management |  |
| Customer services |  |
| Research and Development (R&D) |  |
| Purchasing |  |
| Procurement |  |
| 2.2 How business functions interrelate with other business functions | |
| Interrelationship |  |
| 3.1 different organisational structures | |
| Flat structure |  |
| Hierarchical structure |  |
| Centralised structure |  |
| Decentralised structure |  |
| Matrix structure |  |
| 3.2 Elements of organisational structure | |
| Division of work |  |
| Delegation |  |
| Span of control |  |
| Chain of command |  |
| 3.3 How the elements of the organisation structures impact on businesses operations | |
| Communication paths |  |
| Accountability |  |
| Authority |  |
| Responsibility |  |
| Empowerment |  |
| 3.4 the use of organisation charts | |
| Job role |  |
| Chief executive |  |
| Director |  |
| Manager |  |
| Supervisors |  |
| Operatives |  |
| Reporting status |  |
| Command status |  |
| 4.1 What is meant by the terms…. | |
| Fixed cost |  |
| Variable cost |  |
| Revenue |  |
| Cash flow |  |
| Net cash flow |  |
| Profit |  |
| Breakeven |  |
| Margin of safety |  |
| 4.2 How to calculate… | |
| Profit |  |
| Loss |  |
| Breakeven point |  |
| Revenue |  |
| Total costs |  |
| 4.3 How to interpret financial statements | |
| Income statement |  |
| Balance sheet |  |
| Cash flow statement |  |
| Cash flow forecast |  |
| 5.1 Who the main stakeholders are | |
| Stakeholder |  |
| Internal stakeholder |  |
| External stakeholder |  |
| Trade union |  |
| HM Revenue & Customers (HMRC) |  |
| Pressure group |  |
| 6.1 The factors which comprise the external business environment | |
| Demographics |  |
| Disposable income |  |
| Social trends |  |
| Automation |  |
| Carbon emission |  |
| Legislation |  |
| Companies Act |  |
| Partnership Act |  |
| Sale and Supply of Goods Act |  |
| Supply of Goods and Services Act |  |
| Consumer Protection Act |  |
| Equality Act |  |
| Health and Safety at Work Act |  |
| Working Time Directive |  |
| National Minimum Wage Act |  |
| Data Protection Act |  |
| Copyright, Designs and Patents Act |  |
| Planning Permission |  |
| Living Wage |  |
| Exploitation |  |
| Waste Management |  |
| Fair trade |  |
| Transport miles |  |
| Fossil fuel |  |
| Green energy |  |
| Corporate social responsibility (CSR) |  |
| Humanitarian aid |  |
| Sponsorship |  |
| Market share |  |
| Competitor behaviour |  |
| Position in the market |  |
| 7.1 Why businesses plan | |
| Unique Selling Point (USP) |  |
| Concentration risk |  |
| Innovation |  |
| Risk |  |
| Uncertainty |  |
| 7.2 To determine appropriate sources of finance for businesses | |
| Savings |  |
| Reserves |  |
| Overdraft |  |
| Loan |  |
| Mortgage |  |
| Credit card |  |
| Hire purchase |  |
| Trade credit |  |
| Venture capitalist |  |
| Share issue |  |
| Crowd-funding |  |
| 8.1 Factors affecting the success/failure of a business | |
| Financial factors |  |
| Non-financial factors |  |
| Short-term |  |
| Long-term |  |
| 8.3 How to interpret business performance | |
| Benchmarking |  |
| Industrial average |  |