

# Glossary

- ☞ **Absolute advantage:** ability to beat competition: the ability of a provider of goods or services to conduct business more profitably or efficiently than any competitor.
- ☞ **Accountant:** somebody who maintains the business records of a person or organization and prepares forms and reports for tax or other financial purposes.
- ☞ **Accounting:** the activity, practice, or profession of maintaining the business records of a person or organization and preparing forms and reports for tax or other financial purposes.
- ☞ **Accounting Equation:** BUSINESS balance sheet equation; a fundamental balance sheet equation, such as liabilities + net worth = assets.
- ☞ **Ad valorem:** according to value; in proportion to the value of something.
- ☞ **Advertising:** public promotion of something; the public promotion of something such as a product, service, business, or event in order to attract or increase interest in it.
- ☞ **Agent:** somebody representing another; somebody who officially represents somebody else in business.
- ☞ **Assets:** owned items; the property that is owned by a person or organization.
- ☞ **Balance Sheet:** a statement showing the assets and liabilities of a company or institution at a particular time.
- ☞ **Bookkeeping:** the activity or profession of recording the money received and spent by a person, business, or organization.
- ☞ **Business:** commercial activity which involves the exchange of money for goods or services.
- ☞ **Bill of Exchange:** a document setting out an instruction to pay a particular person a fixed sum of money on a particular date or when the person requests payment.
- ☞ **Bill of Lading:** a list of merchandise being transported, especially by ship, together with the conditions that apply to its transportation.
- ☞ **Broker:** commercial agent; somebody who is paid to act as an agent for others, e.g. in negotiating contracts or buying and selling goods and services.
- ☞ **Chain store:** one of series of stores: one of a series of retail stores, especially department stores or supermarkets, owned by the same company.
- ☞ **Commission merchant:** agent working on commission; an agent who buys and sells goods for others and is paid on a commission-only basis.
- ☞ **Communication Channel:** a course or means of communication or expression.
- ☞ **Comparative advantage:** business more efficient production: a higher relative efficiency in the production of a particular good in one country or company as opposed to another.
- ☞ **Cost:** the amount of money spent in producing or doing something.

- ☞ **Debit:** column for recording debts or expenses; a column on the left of an accounting statement where debts and expenses are recorded.
- ☞ **Direct marketing:** selling directly to customers; methods of marketing by which a company deals directly with its end customers, including mail order by catalog, direct mail, telephone sales, or the advertising of goods.
- ☞ **Discount store:** store selling discounted merchandise; a store that sells merchandise at prices that are reduced from those recommended by the manufacturers.
- ☞ **Department store:** big store; a large store that sells a wide range of goods in separate departments.
- ☞ **Door to door:** to all houses in area; going from one house to the next, usually in order to sell things, to collect money for charity, or to solicit support in an election.
- ☞ **Chart of accounts:** a chart explaining the numerical codes identifying the ledger accounts in an accounting system.
- ☞ **Check/Cheque:** a small printed form that, when filled out and signed, instructs a bank to pay a specific sum of money to the person named on it.
- ☞ **Certificate of Origin:** document stating source of goods: an official document stating what country a consignment of goods has come from.
- ☞ **Communication:** the exchange of information between people, e.g. by means of speaking, writing, or using a common system of signs or behavior.
- ☞ **Complimentary closing:** end of letter; the part of a letter, e-mail, or similar communication immediately before the signature, expressing the sender's sentiments, e.g. "Sincerely yours".
- ☞ **Credit:** account payments column; the right-hand side of an account record, where payments to the account are recorded.
- ☞ **Current assets:** cash and convertible assets; available cash and other assets that could be converted to cash within a year.
- ☞ **Current liabilities:** Liabilities to be cleared within year; business liabilities that are due to be cleared before the end of the financial year.
- ☞ **Customs:** duties on good; taxes payable on imports and exports.
- ☞ **Embargo:** official ban; any official restraint or prohibition.
- ☞ **Exchange:** giving and receiving; the action or process or an instance of exchanging something for something else or for something the same.
- ☞ **Expense:** money spent on something; the amount of money spent in order to buy or do something.
- ☞ **Export:** selling of goods abroad; the selling of goods to other countries.
- ☞ **Feedback:** response; comments in the form of opinions about and reactions to something, intended to provide useful information for future decisions and development.

- ☞ **Fixed assets:** permanent owned thing; an asset of a business that is central to its operation and is not traded.
- ☞ **Form letter:** standard letter; a printed letter that is sent out to a large number of people, e.g. one dealing with a frequently arising complaint, or one used in advertising.
- ☞ **Free alongside ship:** delivered to dockside but not loaded: with the cost of delivery to the dockside included, but not the cost of loading onto a ship.
- ☞ **Income:** money received over period; the amount of money received over a period of time either as payment for work, goods, or services, or as profit on capital.
- ☞ **Income Statement:** a financial statement showing the profit or loss sustained by a company during a particular period, including all items of income and expenditure.
- ☞ **Inside Address:** address on business letter; the name, title, and street address of the person to whom a business letter is written, as it appears on the letter above the salutation.
- ☞ **Insurance:** financial protection against loss or harm; an arrangement by which a company gives customers financial protection against loss or harm such as theft or illness in return for payment premium.
- ☞ **Import:** something brought from abroad; something that is brought into one country from another, usually for commercial or industrial purposes.
- ☞ **Inquiry:** act of asking; a request for information.
- ☞ **Insurance Policy:** contract of insurance; a written contract between an insurance company and a person or organization requiring insurance against loss or harm.
- ☞ **Invoice:** request for payment; a written record of goods or services provided and the amount charged for them, sent to a customer or employer as a request for payment.
- ☞ **Journal:** a book for recording daily transactions, especially in double entry bookkeeping, using a formulaic style to ensure their correct entry in a ledger.  
**Journalize:** to keep a journal, or record something in a journal
- ☞ **Letter of Credit:** document allowing somebody to draw money: a letter from a bank, usually for presentation to another branch or bank, authorizing it to issue credit or money to the person named.
- ☞ **Ledger:** Financial record book: a book or page with columns for debits and credits, on which to transcribe financial records.
- ☞ **Ledger entry:** an entry made in a ledger.
- ☞ **Liability:** something for which somebody is responsible, especially a debt.
- ☞ **Market:** gathering for buying and selling; a gathering in a public place for buying and selling merchandise or farm products, especially one held regularly.
- ☞ **Media:** the various means of mass communication considered as a whole, including television, radio, magazines, and newspapers, together with the people involved in their production.

- ☞ **Memo:** a written communication similar to a letter but without the formal address blocks at the beginning, especially one that is circulated to people within an office or organization.
- ☞ **Middleman:** man who buys and sells goods; a trader, especially a man, who buys goods from a producer and then sells them to retailers or consumers.
- ☞ **News release:** information supplied to reporters; an official statement or account of a news story that is specially prepared and issued to newspapers and other news media for them to make known to the public.
- ☞ **Open account:** sale without debt contract; an arrangement by which sales are made with no formal debt contract. The buyer signs a receipt, and the seller records the sale in a ledger.
- ☞ **Packing:** act of putting things into containers; the task of putting things into containers, usually for storage or transport
- ☞ **Petty cash:** money for small expenses: a small amount of money kept, e.g. in an office, and used to cover minor everyday expenses.
- ☞ **Posting:** the activity of making entries in a ledger.
- ☞ **Price:** cost of something bought or sold; the amount, usually of money, that is offered or asked for when something is bought or sold.
- ☞ **Product:** something that is made or created by a person, machine, or natural process, especially something that is offered for sale.
- ☞ **Promotion:** the act or process of making a product, cause, or organization more widely known or more successful.
- ☞ **Purchase Order:** a document containing a request for goods sent by a company to a supplier.
- ☞ **Quota:** maximum permitted number or amount; a maximum number or quantity that is permitted or needed.
- ☞ **Record:** document containing history; the document or book that bears the history of something.
- ☞ **Resume or Curriculum Vitae:** a summary of somebody's educational and work experience, for the information of possible future employers.
- ☞ **Retail:** sale to consumers: the selling of goods directly to customers.
- ☞ **Risk:** chance of something going wrong: the danger that injury, damage, or loss will occur.
- ☞ **Salutation:** opening greeting; the opening phrase of a letter or speech, used to address the recipient or audience, e.g. "Dear Sir or Madam" or "Ladies and Gentlemen".
- ☞ **Satisfaction:** fulfillment, the fulfillment of a need, claim, or desire.
- ☞ **Surcharge:** extra charge: an excess or extra charge.
- ☞ **Tariff:** duty levied on goods; a duty levied by a government on imported or exported goods.

- ☞ **Telemarketing:** selling or promoting goods and services by telephone.
- ☞ **Trade:** the activity of buying and selling, or sometimes bartering of goods.
- ☞ **Trade barrier:** inhibitor to trade; something such as a tariff or boycott that a nation imposes to limit or burden trade.
- ☞ **Transaction:** instance of doing business: an instance of doing business of some kind, e.g., a purchase made in a shop or a withdrawal of funds from a bank account.
- ☞ **Transportation:** a means of traveling or of carrying somebody or something from one place to another.
- ☞ **Trial Balance:** a statement used to check that the debits and credits in a double-entry bookkeeping ledger are equal.
- ☞ **Wants:** desire something: to feel a need or desire for something.
- ☞ **Warehousing:** stockpiling of security: the accumulation of a security in the hope that demand will push the price up as a result of the reduced supply on the open market.
- ☞ **Wholesale:** sale of goods to retailers: the business of buying goods in large quantities and selling them especially to retailers for resale.
- ☞ **Working capital:** current assets minus liabilities; the amount of current assets that remains after current liabilities are deducted.