

Glossary

age pension

regular payments made by the government to people to support them after retirement

bank overdraft

an agreement by which a bank allows an individual or business to draw out more than they have in their account as a means of overcoming short-term cash flow problems

budget

an estimate of future income and expenses used to assist financial planning

business activities

the combined economic activities of buying, selling and investing performed by an organisation

business

an organisation that provides goods and/or services to consumers in order to make a profit

capital growth

an increase in the value of shares or property over time

cash flow

the amount of money moving in and out of the business at any given time

cash payments journal

a summary of all the business cash payments in the order in which they occurred

cash receipts journal

a summary of all the business cash receipts in the order in which they occurred

casual

describes an employee who works only when needed

consumers

people or groups who are the final users of goods and services produced within an economy

controlling

the process of comparing what was expected to be achieved with what was actually achieved

cost of goods sold

the amount paid for goods that were purchased to be resold, or for raw materials used to produce goods for sale

customer survey

the polling of customers to identify their level of satisfaction with the business's products and quality of service

dividends

company profits paid to shareholders, either in cash or in more shares

EFTPOS

Electronic Funds Transfer at Point Of Sale — a means by which money can be transferred instantly from the buyer's bank or credit card account to the seller's bank account

employed

describes someone working in return for a wage or salary

employees

people who work for a wage or salary

employer

a person or organisation hiring others to work for them

enterprise

the creative or bold efforts made by someone to achieve something new

enterprising behaviours

describes a range of skills including adaptability, initiative, communication, management, leadership and problem solving, and associated behaviours such as working productively with others to achieve common goals, planning and organising, using resources effectively, analysing issues and managing risk

entrepreneur

a person who takes on a risk by starting a business with an idea, hoping to make a profit through initiative and enterprise

entrepreneurs

people who are willing to take the risks involved in starting up their own business

entrepreneurship

the ability to demonstrate the skills and risk taking related to the creation, organisation and management of a business or enterprise

ethical management

the decisions made by the business owner abiding by moral standards

financial

anything to do with money — particularly income, expenses and savings

financial records

written records of all the financial activities of a business or individual

financial transactions

any commercial or business exchange of goods or services for money

full-time

describes an employee who works 35 hours or more per week, or who works the minimum number of hours stipulated by the industrial award for that occupation or industry

goods

physical items that satisfy needs and wants

gross profit

the amount of profit gained from selling goods to the public, calculated by subtracting the cost of goods sold from the revenue gained by selling those goods

gross wage

a person's wage or salary before it is taxed by the government

income

money earned through employment or investment

industry-wide awards

legally binding documents that set out the minimum wages and other entitlements for all employees in an industry or occupation

initiative

the first step or opening move in a series of actions

innovation

either adding a new product to an existing product line, or significantly improving an existing product or process

interest

a charge made for use of money that has been borrowed, usually calculated as a percentage

journals

lists of transactions recorded in the order in which they occurred

labour force

people aged 15 and over who are able to work, and are either employed or looking for work

labour

the performance of laborious mental or physical tasks and/or the provision of time and effort in exchange for money

leading

the process of motivating or inspiring staff to achieve the goals of the business

mortgage loan

a loan advanced to allow a person to buy a house or other property, with the property itself used as security for the loan

needs

goods or services that are essential for life

net profit

the final profit figure, calculated by subtracting operating expenses from gross profit

niche market

a market in which a limited and clearly defined range of products is sold to a specific group

organisations

an entity formed for a specific purpose, usually related to the production or provision of a good or service

organising

the process of working out the resources necessary for completing the tasks that need to be performed so that the goals of the business are achieved

part-time

describes an employee who works less than 35 hours per week

passing trade

the sales a business makes as a result of customers walking or driving past the store

penalty rate

an increase in the usual rate of pay due to particular circumstances, such as working on a public holiday or weekend

percentage mark-up

a way of determining selling price by adding a fixed percentage to the cost of the product

planning

the process of identifying goals for the business and the steps that will need to be followed to achieve those goals

premises

the land and buildings occupied by a business

producers

individuals or businesses involved in the production of goods and services

productivity

a measure of how efficiently inputs are used to produce outputs

profit

what remains after all business expenses have been deducted from the money that has been collected from selling goods or services

profits

what remains after all business expenses have been deducted from the money that has been collected from selling goods or services

remuneration

payment for work or services performed

retail

describes a business that sells goods and services to consumers

salary

fixed or regular payment for work completed or services performed

seasonal

describes an employee who usually works during a season, such as winter or the fruit-picking season

self-funded retirees

a person who has saved enough during their working life to be able to support themselves in retirement

services

actions done for you by others to satisfy your needs and wants

shareholders

the owners of a company

socially responsible management

the decisions made by the business owner reflecting the business's obligations to the wellbeing of society

standard of living

quality of life as measured by the amount of money made by an individual or household (using income per capita or income per household)

superannuation fund

an account that accepts, invests and eventually pays out superannuation contributions

superannuation

a proportion of a person's income that is invested for their retirement

target market

a market at which a product is deliberately aimed

unemployed

describes someone without work who is looking for work that will provide a wage or salary

vision

a statement expressing where a business is going or what it will be like in the future

wage

regular payment for work completed or services performed

wants

non-essential goods and services

wellbeing

an overall measure of quality of life

word-of-mouth

the passing of information about a business from a satisfied customer to prospective customers

work-life balance

a balance between working time and leisure/recreation

work

human labour — whether paid or unpaid, including voluntary labour

working conditions

refers to all those things an employer has agreed to provide in exchange for the employee's work, ranging from the physical work environment to hours of work, rates of pay and leave entitlements

zoning regulations

the decisions made by local council outlining the purpose for which a building or land can be used. Zones are usually based on land uses such as residential, commercial or industrial.