

## Theme 1 Key terms

| Key term             | Definition   | Theme | Sub theme |
|----------------------|--|-------|-----------|
| Brand                | A symbol, logo or design that is recognisable and distinguishes a product from competitors   | 1     | 1.1.1     |
| Competition          | The rivalry among sellers trying to achieve goals such as increasing profits, market share, and sales volume   | 1     | 1.1.1     |
| Competitive market   | When there are many rivals selling similar products  | 1     | 1.1.1     |
| Competitor           | A rival business operating in the same market offering similar goods or services/an appropriate  | 1     | 1.1.1     |
| Direct competition   | Businesses produce similar products that appeal the same group of customers  | 1     | 1.1.1     |
| Dynamic market       | A market that is subject to rapid/continuous change.   | 1     | 1.1.1     |
| Indirect competition | Different businesses make or sell products that are not in direct competition but compete for the same customer experience e.g. Netflix and the local cinema   | 1     | 1.1.1     |
| Innovation           | The creation, development and implementation of a new product, process or service.   | 1     | 1.1.1     |
| Market               | Where buyers and sellers interact  | 1     | 1.1.1     |
| Market growth        | An increase in demand/sales for a particular product/service   | 1     | 1.1.1     |
| Market share         | The % of the total market a business has in terms of volume or value   | 1     | 1.1.1     |
| Market size          | The total amount of sales/customers in a market measured by value/volume   | 1     | 1.1.1     |
| Mass market          | A large unsegmented market where mass appeal products are on sale  | 1     | 1.1.1     |
| Niche market         | A specialist area of the market/is a subset of the market on which a specific product focuses. It is a smaller segment of a larger market where consumers have specific needs and wants.   | 1     | 1.1.1     |
| Online retailing     | Selling goods and services on the internet   | 1     | 1.1.1     |
| Product innovation   | The development/creation of products not previously available  | 1     | 1.1.1     |
| Sales volume         | The quantity of a good or service sold within a period of time. Calculation Sales revenue/selling price  | 1     | 1.1.1     |
| Uncertainty          | The inability to predict/a lack of knowledge about future events and outcomes/reasons for uncertainty. Is caused by unexpected often external factors outside the businesses control, even though sometimes these can be predictable | 1     | 1.1.1     |
| Biased questions     | Where the findings do not give a true reflection of the views of the target audience on the product or service   | 1     | 1.1.2     |
| Consumer behaviour   | Observes how consumers make decisions about how they choose and use products or services   | 1     | 1.1.2     |
| Databases            | An organised collection of data stored electronically with instant access, searching and sorting facilities  | 1     | 1.1.2     |
| Face-to-face survey  | A research method used where the interviewer communicates directly with the respondent using a questionnaire.  | 1     | 1.1.2     |
| Focus group          | A group of people who participate in a discussion as part of market research to give feedback about a product or service   | 1     | 1.1.2     |
| Government data      | Government publications that a business can use such as the census of the population   | 1     | 1.1.2     |
| Interview bias       | Where the opinion of the interviewer interferes with the judgements of the interviewee   | 1     | 1.1.2     |
| Market orientation   | When a businesses products/services are based around the needs and wants of the customer.  | 1     | 1.1.2     |
| Market reports       | A document that contains information, stats, research and facts on a chosen field  | 1     | 1.1.2     |

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| Market research            | Gathering, presenting and analysing information about products/customers   | 1 | 1.1.2 |
| Market segmentation        | Dividing a whole market into particular customer groups that have similar characteristics  | 1 | 1.1.2 |
| Market segments            | An identifiable group of individuals/a part of the market where consumers share one or more characteristic or need   | 1 | 1.1.2 |
| Observations               | Where market researchers watch the behaviour of customers  | 1 | 1.1.2 |
| Primary market research    | Obtaining data first hand by the business to match the specific needs of the business. It can also be known as field research  | 1 | 1.1.2 |
| Product orientation        | When a business prioritises a products design quality or performance rather than meeting customer preferences to guide production and marketing decisions                                  | 1 | 1.1.2 |
| Qualitative research       | Market research collected relating to the opinions and beliefs of consumers . Data not presented numerically.  | 1 | 1.1.2 |
| Quantitative research data | Numerical information gathered and can be presented and analysed using graphs, charts, table etc   | 1 | 1.1.2 |
| Respondent bias            | When respondents respond inaccurately to a question for some reason  | 1 | 1.1.2 |
| Sample                     | A small group of people who must represent a proportion of a total market when carrying out market research  | 1 | 1.1.2 |
| Secondary market research  | Data collected by another business or organisation but used by the business in question. Also known as desk research   | 1 | 1.1.2 |
| Segmentation               | Dividing the market into groups of people with similar attributes or common characteristics  | 1 | 1.1.2 |
| Social networking          | A platform such as Facebook, X and YouTube to market a businesses products/services  | 1 | 1.1.2 |
| Survey                     | A method of (primary) research used to collect information   | 1 | 1.1.2 |
| Test marketing             | Trialling the product in a small area or to a limited number of users to assess the suitability of a product   | 1 | 1.1.2 |
| Trade publications         | Specialist magazines that look at current trends in the business world   | 1 | 1.1.2 |
| Added value                | The increase in value that a business creates when producing a product/service. The difference between the price the customer pays and the total cost of inputs needed to create a product | 1 | 1.1.3 |
| Competitive advantage      | A feature of a business and/or its products that enable it to compete effectively with rival producers/products.   | 1 | 1.1.3 |
| Differentiation            | Making products or services different or distinct from competing products/creating a USP   | 1 | 1.1.3 |
| Market mapping             | A form of market positioning. It is the use of a 2-dimensional diagram that plots products or services in a market using two key variables. It is used to spot a gap in the market         | 1 | 1.1.3 |
| Market positioning         | An effort to influence consumer perception of a brand or product, relative to the perception of competing brands or products   | 1 | 1.1.3 |
| Product differentiation    | The act of distinguishing a product/service from competitors to make it more attractive to a particular target market  | 1 | 1.1.3 |
| Complementary goods        | Products consumed/used together, so they are purchased together  | 1 | 1.2.1 |
| Consumer income            | The money earned/received from work/investments  | 1 | 1.2.1 |
| Demand                     | The quantity of goods/services that a consumer is willing to buy at a given price and at a given time  | 1 | 1.2.1 |
| Demographics               | The structure of the population such as age, gender and geographical distribution  | 1 | 1.2.1 |
| External shocks            | Factors beyond the control of a business   | 1 | 1.2.1 |
| Seasonality                | When demand rises or falls at particular times of the year according to seasonal factors   | 1 | 1.2.1 |
| Substitutes                | Goods that can be bought as an alternative to others, but perform the same function  | 1 | 1.2.1 |

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| Government subsidies              | A payment given to producers, usually to encourage production of a certain good   | 1 | 1.2.2 |
| Indirect taxes                    | Taxes imposed by the government on spending e.g. VAT and Excise duties. Responsibility for payment lies with the business.  | 1 | 1.2.2 |
| Supply                            | The amount that producers are willing/able to produce at a given price/over a given period of time  | 1 | 1.2.2 |
| Equilibrium price                 | The price where supply and demand are equal. Also known as market clearing price  | 1 | 1.2.3 |
| Non price factors                 | Factors other than price e.g. Change in consumer incomes, advertising and seasonality   | 1 | 1.2.3 |
| Shortage in markets               | Where demand exceeds supply   | 1 | 1.2.3 |
| Surplus in markets                | Where supply exceeds demand   | 1 | 1.2.3 |
| Luxury                            | Goods that consumers like to buy if they can afford them eg air travel and fashion items  | 1 | 1.2.4 |
| Necessity                         | Basic goods that consumers need to buy eg food, electricity and water   | 1 | 1.2.4 |
| Price elastic                     | Demand is responsive to a change in price   | 1 | 1.2.4 |
| Price elasticity of demand (PED)  | Measures the responsiveness of demand to a change in price. Always negative due to laws of demand.  | 1 | 1.2.4 |
| Price Inelastic                   | Demand for the product is less responsive proportionately to a change in price  | 1 | 1.2.4 |
| Income elasticity of demand (YED) | Measures the responsiveness of changes in demand to changes in consumer income  | 1 | 1.2.5 |
| Inferior good                     | When incomes increase there is a decrease in demand eg budget goods   | 1 | 1.2.5 |
| Marketing mix                     | A plan for using the right blend of product, price, promotion, and place in order to maximise sales   | 1 | 1.3   |
| Social trends                     | Changing patterns in consumer behaviour reflected in changing demands e.g. increased use of social media/being environmentally friendly   | 1 | 1.3   |
| Aesthetics                        | Relates to the appearance of a product  | 1 | 1.3.1 |
| Cost (design mix)                 | When the business focusses on being economically viable, therefore they aim to minimise costs   | 1 | 1.3.1 |
| Design for recycling              | Producing products using materials that have been discarded as waste and recycled   | 1 | 1.3.1 |
| Design for reuse                  | When materials used in the initial product are utilised again in the future beyond their initial intended use.  | 1 | 1.3.1 |
| Design for waste minimisation     | Reducing the quantity of resources that are discarded in the production process   | 1 | 1.3.1 |
| Design Mix                        | The combination of factors needed in designing a product and include Aesthetics, Function, Economic Manufacture   | 1 | 1.3.1 |
| Ethical sourcing                  | When a business buys materials that are produced with fair working conditions/pay and minimum impact on the environment   | 1 | 1.3.1 |
| Function                          | Relates to the quality and reliability of a product.  | 1 | 1.3.1 |
| Re Branding                       | A marketing strategy in which a new name, term, symbol, design or combination is created for an established brand with the intention of developing a new, differentiated identity in the minds of consumers, investors, and/or competitors. | 1 | 1.3.1 |
| Resource depletion                | The using up of natural resources   | 1 | 1.3.1 |
| Advertising                       | A paid form of communication, used by a business to raise customer awareness of its products, services and brands, to persuade purchases to be made   | 1 | 1.3.2 |

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| Customer loyalty                  | Repeat purchases with the same business/favour it over competitors in the same market.  | 1 | 1.3.2 |
| Digital communications            | The electronic transfer of data   | 1 | 1.3.2 |
| Direct marketing                  | Where a business mail out leaflets or letters to households   | 1 | 1.3.2 |
| Emotional branding                | The creation of brands that perhaps appeal to customers' emotional nature, rather than their logical side.  | 1 | 1.3.2 |
| Manufacture/corporate branding    | Brands created by the producers of goods and services eg Kellogg's cornflakes (bear the producers name)   | 1 | 1.3.2 |
| Own brand                         | Products that are manufactured for wholesalers or retailers by other businesses e.g. Tesco Beans  | 1 | 1.3.2 |
| Personal selling                  | Direct communication between a salesperson and the customer   | 1 | 1.3.2 |
| Premium price                     | Charging a higher price than competitors because of customer loyalty that has been built up over a period of time   | 1 | 1.3.2 |
| Product branding/Generic branding | Products that only contain the name of the product category rather than the company or product name e.g. Carrots  | 1 | 1.3.2 |
| Promotion                         | The way a business creates demand/awareness for their product/service.  | 1 | 1.3.2 |
| Public relations                  | An organisations attempt to communicate with interested parties, usually through unpaid media such as press conferences                                     | 1 | 1.3.2 |
| Sales promotions                  | Methods of promoting products in the short term to boost sales  | 1 | 1.3.2 |
| Social media                      | Websites and applications that enable users to participate in social networking.  | 1 | 1.3.2 |
| Sponsorship                       | A company giving a product or money to support another business or person   | 1 | 1.3.2 |
| USP                               | A feature that differentiates a product from its competitors  | 1 | 1.3.2 |
| Viral marketing                   | Encouraging customers to share information/adverts through existing social media platforms e.g. Facebook  | 1 | 1.3.2 |
| Competitive pricing               | When a business sets a price similar to competitors selling similar/rival products  | 1 | 1.3.3 |
| Cost plus pricing                 | A cost-based method for setting the prices of goods and services and is calculated by adding a mark-up percentage to the cost of the product                | 1 | 1.3.3 |
| Penetration pricing               | Setting a low price initially and accepting limited short-term profits/losses in order to build market share before switching to a more profitable price    | 1 | 1.3.3 |
| Predatory pricing                 | Setting a low-price forcing rivals out of the market. This is illegal in the UK   | 1 | 1.3.3 |
| Price comparison websites         | A website that compares the price of a particular product or service in different stores or from different businesses                                       | 1 | 1.3.3 |
| Price skimming                    | Setting a high price at the launch of a product, to gain the money back from R&D and to take advantage of those wanting to be the first people to purchase. | 1 | 1.3.3 |
| Pricing strategy                  | A method used by a business when deciding the price at which a product is sold for  | 1 | 1.3.3 |
| Psychological pricing             | Tactics that are designed to appeal to a customer's emotional response to prices  | 1 | 1.3.3 |
| Channels of distribution          | Methods used by businesses to get their products from manufacture to consumer. It can include intermediaries such as wholesalers and retailers.             | 1 | 1.3.4 |
| Distribution                      | Getting products to the right place for customers and at the right time   | 1 | 1.3.4 |
| Distribution channels             | The methods by which a product gets from the manufacturer to the consumer   | 1 | 1.3.4 |

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| Distribution strategy                       | A plan to get a product or service to the customer   | 1 | 1.3.4 |
| Four stage distribution channel             | Manufacturer/producer to wholesaler to retailer, then consumer. Examples include groceries and confectionery   | 1 | 1.3.4 |
| Online distribution/E-commerce              | The use of electronic systems to sell goods and services   | 1 | 1.3.4 |
| Place                                       | Where the product can be purchased and is also the process of making a product or service available to the consumer                                    | 1 | 1.3.4 |
| Product                                     | A tangible item offered for sale   | 1 | 1.3.4 |
| Service                                     | The non-physical, intangible parts of our economy, as apposed to goods, which we can touch   | 1 | 1.3.4 |
| Three stage distribution channel            | Manufacturer/producer to retailer, then consumer. Examples include electrical goods and cars.  | 1 | 1.3.4 |
| Two stage distribution channel              | A direct marketing approach with no intermediary levels e.g. Manufacturer/producer to consumer   | 1 | 1.3.4 |
| Boston matrix                               | A method used to analyse the product portfolio of a business that contains stars, Cash cow, question mark and dog                                      | 1 | 1.3.5 |
| Business to business (B2B)                  | When a business promotes the sale of products/services to other businesses for use in their operations   | 1 | 1.3.5 |
| Business to customer (B2C)                  | Where a company targets to sell its products to individual customers   | 1 | 1.3.5 |
| Consumer loyalty                            | A preference for a product or brand based on experience and/or an emotional attachment, which inclines buyers to repeat purchases and away from rivals | 1 | 1.3.5 |
| Extension strategy                          | A plan that is aimed at preventing the decline stage of a product/service's sales in the medium-to-long term   | 1 | 1.3.5 |
| Marketing objective                         | A goal the business aims to achieve through its marketing activities   | 1 | 1.3.5 |
| Marketing strategy                          | The methods used/plan/way chosen to achieve marketing objectives   | 1 | 1.3.5 |
| Portfolio analysis                          | When business considers each of its products in the context of its market position   | 1 | 1.3.5 |
| Product life cycle                          | The stages that a product goes through from introduction to decline  | 1 | 1.3.5 |
| Product portfolio                           | The collection/range/ list of items/products produced/sold/ offered by a business  | 1 | 1.3.5 |
| Collective bargaining                       | Negotiation of wages/conditions of employment between employee representatives / trade unions and the employer   | 1 | 1.4.1 |
| Dismissal                                   | Referred to informally as firing or sacking. It is the termination of employment by an employer against the will of the employee.                      | 1 | 1.4.1 |
| Employer/employee relations                 | The way in which a company's management and its employees behave towards each other  | 1 | 1.4.1 |
| Individual approach (employer/ee relations) | When employers develop relationships with employees at an individual level   | 1 | 1.4.1 |
| Multiskilling                               | The process of increasing the skills of employees  | 1 | 1.4.1 |
| Part-time employees                         | Workers that generally work a few hours or a few days a week. Fewer hours than a full-time employee.   | 1 | 1.4.1 |
| Redundancy                                  | When a business needs to reduce the size of its workforce or even close. Redundancy can be voluntary   | 1 | 1.4.1 |
| Staff as a cost                             | A cost to businesses in terms of recruitment, training, remuneration, welfare and even severance   | 1 | 1.4.1 |

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| Staff as an asset               | Employers recognise the input of employees as an important business resource. They contribute to the value of output, whether this is through providing added value to a product by supporting the manufacturing process or through effective customer service | 1 | 1.4.1 |
| Temporary work                  | The job position is generally for a limited period of time   | 1 | 1.4.1 |
| Trade unions                    | A workforce representative that act to protect and improve the economic and working conditions for their members.  | 1 | 1.4.1 |
| External recruitment            | When the business looks to fill the vacancy from outside of the business.  | 1 | 1.4.2 |
| Induction training              | Introductory training given to employees coering its background, policies, health and safety procedures  | 1 | 1.4.2 |
| Internal recruitment            | Selecting employees who already work within the business to fill job vacancies   | 1 | 1.4.2 |
| Off the job training            | When employees are given training away from their normal job environment, often in a classroom   | 1 | 1.4.2 |
| On-the-job training             | Learning/gaining/developing skills whilst at work doing the job  | 1 | 1.4.2 |
| Recruitment                     | The process of finding and selecting workers.  | 1 | 1.4.2 |
| Training                        | The developing of a person, to enhance skills and knowledge. Training can be on-the-job or off-the-job   | 1 | 1.4.2 |
| Centralised structure           | An organisational structure where business decisions are made at the top of the hierarchy by senior management/or at the headquarters of a business  | 1 | 1.4.3 |
| Chain of command                | The way authority and power is organised in an organisation  | 1 | 1.4.3 |
| Decentralised structure         | When a business allows branches to take more control/make their own decisions  | 1 | 1.4.3 |
| Flat organisational structure   | One with few layers and a wider span of control for each manager   | 1 | 1.4.3 |
| Hierarchy                       | The order or levels of responsibility in an organisation, from the lowest to the highest   | 1 | 1.4.3 |
| Matrix organisational structure | Organises employees from different disciplines or divisions into projects/teams  | 1 | 1.4.3 |
| Organisation structure          | A diagram that shows who is answerable to whom in an organisation. It can also show vertical and horizontal communication links  | 1 | 1.4.3 |
| Span of control                 | The number of employees/subordinates that a manager is responsible for   | 1 | 1.4.3 |
| Tall organisational structure   | One with many layers and a narrow span of control for each manager   | 1 | 1.4.3 |
| Bonus                           | A sum of money added to an employee's wages/salary as a reward for performance when they reach or exceed their targets   | 1 | 1.4.4 |
| Commission                      | A payment to a worker based on a percentage of the value of sales.   | 1 | 1.4.4 |
| Consultation                    | Employees opinions/feedback are sought when making business decisions  | 1 | 1.4.4 |
| Delegation                      | Authority to pass down from superior to subordinate  | 1 | 1.4.4 |
| Empowerment                     | Giving official authority to employees to make decisions and to control their own work activities  | 1 | 1.4.4 |
| Financial incentives            | Monetary rewards used to help improve staff motivation and achievement. They can include Piecework, commission, bonuses, profit sharing and performance related pay  | 1 | 1.4.4 |



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| Flexible workforce                  | Employees have choice over how/when they work by agreement with the company. E.g. zero hours contracts, homeworking, part-time  | 1 | 1.4.4 |
| Herzberg's two factor theory        | A theory of motivation that is split into two categories: Motivators and Hygiene factors  | 1 | 1.4.4 |
| Job enlargement                     | Giving an employee more work to do of a similar nature, horizontally extending their work role  | 1 | 1.4.4 |
| Job enrichment                      | Giving employees greater responsibility and recognition by vertically extending their work role   | 1 | 1.4.4 |
| Job rotation                        | The changing of jobs or tasks   | 1 | 1.4.4 |
| Maslow's hierarchy of needs         | The order of people's needs, starting with basic human needs  | 1 | 1.4.4 |
| Mayo's human relations theory       | Emphasises the importance of the ways in which people interact and how they are treated. Motivation can improve when employees feel more involved   | 1 | 1.4.4 |
| Motivation                          | The reason for people's actions, willingness and goals.   | 1 | 1.4.4 |
| Non-financial methods of motivation | Non-monetary rewards  | 1 | 1.4.4 |
| Non-financial techniques            | Ways of encouraging employees without the use of monetary rewards e.g Delegation, consultation, empowerment, team working, flexible working, job enrichment, job rotation and job enlargement | 1 | 1.4.4 |
| Performance-related pay             | A financial reward to employees whose work is considered to have reached a required standard  | 1 | 1.4.4 |
| Piece rate                          | A payment system where employees are paid an agreed rate for every item produced  | 1 | 1.4.4 |
| Profit sharing                      | A form of financial incentive given to employees, where part of the profit of the business is shared amongst the employees.   | 1 | 1.4.4 |
| Taylor's scientific management      | Suggested a job could be broken down into constituent parts, so that the most efficient way of working could be calculated. He believes workers are motivated by money                        | 1 | 1.4.4 |
| Team working                        | Organising people into working groups that have a common aim  | 1 | 1.4.4 |
| Working conditions                  | The physical surroundings and the atmosphere of the workplace, and the way staff are treated by managers  | 1 | 1.4.4 |
| Autocratic leadership               | A leadership style where the decision-making is best kept with managers, who will direct subordinates with little consultation  | 1 | 1.4.5 |
| Democratic leadership               | A type of leadership style in which members of the group take a participative role in the decision-making process. Group members are encouraged to share ideas and communication is two ways  | 1 | 1.4.5 |
| Laissez-faire                       | A leadership style where employees are encouraged to make their own decisions within certain limits   | 1 | 1.4.5 |
| Leadership                          | Having a vision, sharing that vision with others and providing direction.   | 1 | 1.4.5 |
| Management                          | The day-to-day organisation of the business, including staffing.  | 1 | 1.4.5 |
| Paternalistic leaders               | Leaders that are in control, but take the welfare of employees into account when making decisions   | 1 | 1.4.5 |
| Entrepreneur                        | Someone who organises a business venture by combining the other factors of production, namely land, labour and capital. They task risks to set up a business in hope of profit/reward         | 1 | 1.5.1 |
| Entrepreneurship                    | The activity of setting up a business, taking on risks, normally in the hope of making a profit   | 1 | 1.5.1 |
| Risk                                | Something an entrepreneur can essentially plan for. Probabilities of outcomes are known or at least understood or considered.   | 1 | 1.5.1 |
| Entrepreneurial characteristics     | Qualities or traits demonstrated by an individual starting up and running a business  | 1 | 1.5.2 |

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| Entrepreneurial motive  | Factors that drive a person to start a business   | 1 | 1.5.2 |
| Ethical stance          | In support of a moral belief that they believe in   | 1 | 1.5.2 |
| Home working            | Setting up a business from home   | 1 | 1.5.2 |
| Independence            | A desire to be their own boss   | 1 | 1.5.2 |
| Profit Satisficing      | Making enough profit to satisfy the needs of the business owner   | 1 | 1.5.2 |
| Social entrepreneurship | Setting up a business and showing concern for the local area  | 1 | 1.5.2 |
| Business objective      | A goal/target set by the business in the short/medium term to help achieve its aim/mission  | 1 | 1.5.3 |
| Cost efficiency         | Minimising costs/expenses/waste when producing a product or service   | 1 | 1.5.3 |
| Customer satisfaction   | Is a measurement of how satisfied a customer is with their purchase   | 1 | 1.5.3 |
| Employee welfare        | Facilities and benefits provided by a business to meet the well-being of the employee   | 1 | 1.5.3 |
| Profit maximisation     | When the difference between sales revenue and cost is at its greatest   | 1 | 1.5.3 |
| Sales maximisation      | An attempt to sell as much as possible in a given time period (or to generate as much sales revenue as possible)  | 1 | 1.5.3 |
| Social objectives       | A goal to benefit/improve the community   | 1 | 1.5.3 |
| Survival                | A short-term business objective that aims to keep the business running.   | 1 | 1.5.3 |
| Franchise               | A business is buys the right to trade using the brand/logo/business model of an existing firm in return for a fee/royalty   | 1 | 1.5.4 |
| Franchising             | A type of business where a business operator (franchisor) allows others (franchisee) to trade under its name (for a fee)  | 1 | 1.5.4 |
| Lifestyle business      | A business set up with the aim of making no more than a set level of income from which to enjoy a particular lifestyle  | 1 | 1.5.4 |
| Partnership             | A type of business ownership/organisation owned by two or more people   | 1 | 1.5.4 |
| Private limited company | A small to medium sized business, usually run by the family that owns it. Shares are sold to friends, family, and business associates and it has limited liability. | 1 | 1.5.4 |
| Public limited company  | A business with limited liability whose shares are publicly traded on the stock market  | 1 | 1.5.4 |
| Social enterprise       | A business that has aim/objectives which benefits society and is not for profit/its profits are reinvested into the business/community                              | 1 | 1.5.4 |
| Sole trader             | A business that that is owned by one person who has unlimited liability   | 1 | 1.5.4 |
| Stock market flotation  | When a business sell shares publicly on the stock exchange for the first time   | 1 | 1.5.4 |
| Opportunity cost        | The next best alternative forgone when making a decision.   | 1 | 1.5.5 |
| Trade-off               | A situation where having more of one thing leads to having less of something else   | 1 | 1.5.5 |
| Leader                  | A person who inspires and motivates others to meet objectives   | 1 | 1.5.6 |
| Salaries                | A fixed regular payment to an employee  | 1 |       |
| Wages                   | A payment made to the employee from the employer, usually paid on an hourly or daily basis  | 1 |       |