

**Stanchester Academy**  
**Year 10 – GCSE Business – Unit 1**

**Key words – SET 1**

1	Business	An organisation that produces a good or provides a service to the public or other firms.
2	Enterprise	Enterprise is another word for a business. It also refers to the skills of the people involved in the business.
3	Entrepreneur	An individual who is willing to take the risks involved in starting a new business.
4	Start up	A new business that is trading for the first time. 70% of start-ups fail within the first year often as a result of a lack of £ or experience.
5	Social Enterprise	A business that is set up to help society rather than to make a profit.

**Key words – SET 2**

6	Needs	Needs refer to goods and services that we must have in order to survive or function e.g. Food, a home, fuel and energy.
7	Wants	Wants refer to goods and services that we consider a personal luxury which are willing to spend our incomes on e.g. Holidays.
8	Goods	Tangible [physical] products that are sold to customers in exchange for money e.g. Mobile phone.
9	Services	Intangible [not physical] products that are sold to customers in exchange for money e.g. Car insurance.
10	Competitor	A business which provides a similar product and is trying to attract the same customer.

**Key words – SET 3**

11	Primary Sector	Businesses involved in the first stage of production which grow or gather raw materials.
12	Secondary Sector	Businesses involved in the second stage of production which transform raw materials into finished goods [known as manufacturing].
13	Tertiary Sector	Businesses involved in the third stage of production which provide a service to the public or other businesses.
14	Customer	An individual who pays for a good or service.
15	Consumer	An individual who uses the good or service.

**Key words – SET 4**

16	Factors of production	Four things which all business need in order to operate and produce products.
17	Capital	Access to money in order to pay overheads and to invest in equipment.
18	Enterprise	The business skills and knowledge required to function effectively.
19	Land	The land, buildings or sites requires to function effectively.
20	Labour	The number of skilled / trained employees required to function effectively.
21	Opportunity Cost	Is measuring the cost of what you purchase in terms of the alternative that you have given up.

**Keywords – Set 5**

22	The Business Environment	The external conditions that a business operates in which regularly change and are outside of the businesses control.
23	Legislation	A law or set of laws, for example the national minimum wage or tax rates.
24	The Economy	The interrelated activities of production and consumption within a country.
25	New Technology	Developments in technology over time that enable businesses to offer new goods and services or produce more efficiently.
26	Environmental expectations	Changing attitudes towards environmental issues such as recycling, renewable energy and plastic consumption.

**Key words – SET 6**

27	Sole Trader	A business that is owned a single person [they are allowed to employ others].
28	Partnership	A business that is owned by 2-20 people with a Deed of Partnership in place.

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29	Private Limited Company Ltd	A company that is owned by shareholders – new shareholders [investors] have to be invited by the owners.
30	Public Limited Company PLC	A company that is owned by shareholders – the public can buy and sells shares on the stock exchange.
31	Not for Profit Organisation	A business that supports a community rather than making a profit.
32	Limited Liability	Shareholders are not responsible for the company's debts and may only lose the money they have invested in the company if a business goes bankrupt.
<b>Key words – SET 7</b>		
33	Survival	Over half of new businesses fail within five years and many new businesses do not survive much beyond their launch, the first priority of a business is always to survive.
34	Profit Maximisation	The reward to the entrepreneur for their hard work and the risks undertaken - making as much profit as possible is the main objective for most businesses.
35	Growth	Increasing the size of a business through physical expansion or increasing the provision of goods and services.
36	Market Share	The percentage of the overall market that one business holds – businesses seek to increase market share by making more sales.
37	Customer Satisfaction	The benefit or enjoyment a customer gets through buying from the business – often linked to the quality of the good or service.
38	Social and Ethical Objectives	Where a business recognises its responsibility towards society e.g. not using child labour to make products.
39	Shareholder value	Seeking to increase the value of the share someone has in the business and reward with dividends.