

Year 11 Business Vocabulary List

(Tier 2 and Tier 3)



COMMAND WORDS (specific meaning for Business Examination)

Define (1 mark) - define a term from the specification content

Give (1 mark) - give an answer testing recall of knowledge from the specification content

State (1 mark) - give an answer, no longer than a sentence that is **contextualised**.

Identify (1 mark) - select the correct answer from reading a graph or table of data.

Outline (2 marks) – give an answer with **one linked strand** of development about a business concept or issue that is **contextualised**.

Explain (3 marks) - give a statement of fact, with **two linked strands** of expansion. There is **no context** in these questions.

Discuss (6 marks) - write an extended answer using **5 linked strands (over one or two paragraphs)** of expansion. Answers are **not contextualised** but you may bring your own one in for illustration.

Analyse (6 marks) - write an extended answer using **5 linked strands (over one or two paragraphs)** of expansion. Answers must be **contextualised**

Justify (9 marks) - write a **contextualised** extended answer using **5 linked strands over two 'balanced' paragraphs** along with a concluding paragraph which makes a supported option recommendation (use CB MID LRVSR). Business terms (words) should be present in each paragraph.

Evaluate (12 marks) - write a **contextualised** extended answer using **5 linked points over two 'balanced' paragraphs** along with a concluding paragraph (use CB MID LRVSR).

Note the following acronym for 'linked strands':

A BLT ME FC

- **A** = Answer
- **B** = Because
- **L** = Leads to
- **M** = Means
- **E** = for Example
- **F** = Furthermore
- **C** = Consequently

Note the following acronym for 'conclusions':

CB MID LRvSR

- **C** = in Conclusion
- **B** = Because
- **MI** = Most Importantly
- **ID** = It Depends
- **LR** = Long Run
- **SR** = Short Run

Theme 2.1.1 – Business Growth

Internal growth – Whereby a business grows organically and gradually through innovation and attracting new customers.

External growth – Whereby a business grows inorganically through joining with or taking over another business.

Merger – An agreement between the owners of two businesses to come together and create one larger organisation benefitting from the knowledge and assets of both.

Takeover – Where one company acquires another business normally through acquiring a majority stake in that company.

Public limited company (Plc) – A large, limited company that has its shares publicly traded on a stock market.

Share capital – Business finance raised through selling shares in a company either privately or publicly via a stock market.

Stock market flotation – Whereby a company becomes listed on a stock market, shares in the company are issued to be sold publicly to raise capital.

Theme 2.1.2 – Changes in Business Objectives

Market conditions – Can refer to a range of factors that determine how attractive a market is for a business including the level of competition, size and growth of the market and the pace of change.

Business performance – How well a business achieves its aims and objectives such as profitability.

Business survival – A businesses ability to cover its costs and keep trading.

Entering a markets – Whereby a business starts to sell its products or services to a new group of customers or develops a new product or service aimed at a different target market.

Product range – The number of variations of product line or range of services offered by a business.

Theme 2.1.3 – Globalisation & Business

Globalisation – The integration of economies and businesses through international trade.

Imports – buying from abroad - bringing goods and services into a company

Export – selling abroad – selling goods and services to international markets

Multinational – A business organisation that has operations in multiple countries

Tariff – a tax on imports (paid by the buyer)

Trade bloc – a group of countries that have a common set of trading rules

Theme 2.1.4 – Ethics, The Environment & Business

Ethical decisions – a decision made by a business that is motivated to ensure there is a positive impact (or no negative impact) on stakeholders or the environment.

Sustainability – whereby a business operates in a way that conserves finite resources and does not damage the environment.

Pressure group – an organisation (not-for-profit / charity) that has the aim the influence business to act ethically and sustainably.

Theme 2.2.1 – Product

Aesthetics – refers to the visual attractiveness of something. The look and feel of a product.

Design mix – the three aspects of design that a business needs to consider when developing a product. The three elements are aesthetics, cost and function.

Extension strategies – actions that a business can take to lengthen the product life cycle and encourage a growth in sales during the decline phase.

Function – how well a product works for the customer. How well a product does its job.

Marketing mix – the 4 Ps of marketing which are Product, Price, Promotion and Place.

Product – a good or service

Product life cycle – the amount of money coming in and going out of the business.

Theme 2.2.2 – Price

High-margin pricing strategy – a pricing strategy that aims to maximise the profit margin of the business. Typically, this price will be higher than for rival products.

High-volume pricing strategy – a pricing strategy designed to increase the volume of sales. Typically, this involves a lower price than rival products.

Pricing strategy – how a business decides on the price to charge for a product.

Theme 2.2.3 – Promotion

Advertising – messages paid for by businesses that are designed to inform and influence people who read them.

Branding – the promotion of a product or business by means of advertising or a distinctive design or name.

E-newsletters – electronic publications from a business that are sent by email or social media.

Product trials – a way of persuading customers to try a product by providing it for free, sometimes for a limited amount of time.

Promotion – the methods a business uses to persuade customers to buy its products.

Special offers – also referred to as sales promotions. Typically, a discount on price to attract customers to buy a product.

Sponsorship – where a business pays to have its name/brand associated with a particular individual, event or team.

Targeted advertising – advertising aimed at particular market segments.

Viral advertising – using social networking to increase sales or boost brand awareness.

Theme 2.2.4 – Place

e-commerce – selling online rather than in a physical store.

e-tailer – an electronic retailer that sells goods and services using the internet, such as through an e-commerce website, rather than through physical premises.

Place - 'Place' refers to how a business gets its product to the customer. This includes the way that customers access the product and how it is delivered.

Retailer – a traditional way of distributing goods and services to customers. It involves selling products through a shop or other physical building.

Theme 2.2.5 – Using the Marketing Mix to Make Decisions

Integrated marketing mix – a marketing mix that has a theme with each of the 4 elements supporting each other.

Theme 2.3.1 – Business Operations

Goods – a physical product produced using raw materials. Value is added to produce a product that meets customer needs eg a car, pizza, a pair of shoes.

Services – work done or help provided by a business in return for payment. An intangible offer such as insurance, a haircut, public transport.

Job production - products are made individually, specifically to customers' requirements.

Batch production - groups of products are made together, passing through stages of production.

Flow production – production using an assembly line to mass produce identical products in a continuous process.

Productivity – a measure of the effectiveness with which a business produces its products or services. Calculated by measuring the business's outputs (number of products made) by its inputs (the resources used to make the products or services).

Flexibility – how easy a business can make changes in order to meet customer needs.

Theme 2.3.2 – Working with Suppliers

Stock – the products held by a business in a shop or warehouse for sale to customers. It also includes raw materials held by a business to be used in the production process.

Bar gate stock graph – a chart used to indicate the level of stock a business is holding at any one time. It can be used to make decisions about when, and how much, new stock should be ordered.

Just in time (JIT) – a method of stock management that involves procuring stock when it is needed rather than holding stock in a warehouse.

Procurement - the process of purchasing and obtaining materials, supplies, or equipment.

Logistics – the organisation and management within a business of the transport of raw materials and goods.

Theme 2.3.3 – Managing Quality

Quality control – the process of checking the standard of quality at the end of the production process.

Quality assurance – the management of quality is carried out at every stage of the production process.

Competitive advantage – an advantage a business has over its rivals that is unique and sustainable.

Theme 2.3.4 – The Sales Process

Customer engagement – how a business interacts with a customer during a sales transaction.

Customer feedback - information provided by customers about their experience during the sales process and their level of satisfaction with a product or a service.

Post-sales service – support given to customers given by a business to its customers after the customer has bought a product or service.

Customer service - the provision of service to customers before, during, and after a purchase.

Theme 2.4.2 – Understanding Business Performance

Financial data – Financial data includes business information such as sales figures, business costs and profits.

Marketing data – marketing data includes information on advertising spending, customer opinions and product performance.

Market data – Market data includes information on market size, market growth and characteristics of customers.

Theme 2.5.1 – Organisational Structures (a)

Organisational structure – How workers are organised within a business.

Hierarchical structure – A organisational structure with many layers of management.

Flat structure – An organisation structure with only a few layers of management

Centralised - a business organisation where most decisions are made by management at the top of the hierarchy

Decentralised – a business organisation where most decisions are made by employees lower down the hierarchy.

Theme 2.5.1 – Organisational Structures (b)

Part-time workers – Workers who work less than a full-time contract five days per week.

Full-time workers – Workers who work a full-time contract five days per week

Flexible hours – Whereby employees are able to choose how they fulfil their contractual hours over the course of a week

Permanent – Where workers do not have an end date to their employment contract

Temporary – Where workers have an end date to their employment contract

Freelance contracts – Self-employed workers who are contracted to work for a company for a set period or to complete a project.

Remote working – Where employees have the opportunity to work full-time / part-time from home.

Theme 2.5.2 – Effective Recruitment

Application form – a document filled in by applicants for a job. This document will be used by the business to select people for interview.

CV – a document which details an individual's qualifications,

Desirable requirements – experience, knowledge, qualifications and skills an employer would like an applicant to have, but which are not essential for the role.

Essential requirements – experience, knowledge, qualifications and skills an applicant must have to apply for a role.

External recruitment – when a role is advertised to potential applicants both inside and outside the business.

Internal recruitment – when a role is only advertised to existing employees of a business.

Job description – a document which describes the main features of a job, such as duties, responsibilities, hours, pay.

Person specification – a document which describes the type of person required for the role. This includes aspects such as qualification, experience and personal attributes and skills.

Responsibilities – what someone is required to do in order to fulfil their role within a business.

Roles – the different jobs within a business.

Theme 2.5.3 – Effective Training & Development

Formal training – structured training, such as taking a specific course or gaining a qualification.

Informal training – less structured training which involves learning 'on the job' and often delivered by colleagues.

Motivation – reasons for behaving in a particular way. In business, motivation usually refers to the reasons an employee has for working hard.

Ongoing training – a type of training that employees continue to do throughout their time in the role.

Performance review – discussions between an employee and their line manager to consider their performance against set targets

Retention – the ability of a business to retain – to keep – its staff and avoid them moving to other businesses.

Retraining – learning new skills to be able to do a different job.

Self-learning – where a person/employee teaches themselves without being supervised by a teacher or tutor.

Training – the learning of knowledge and skills by an employee to enable them to do their job effectively.

Theme 2.5.4 – Motivation

Autonomy – independence or the freedom to make your own decisions.

Bonus – an additional sum of money an employee receives if they achieve a target or high level of performance.

Commission – similar to a bonus, this is an extra amount of money paid to an employee if they make a certain amount of sales.

Fringe benefits – rewards an employee receives other than pay. Examples include company car and free health insurance.

Job enrichment – the process of adding more interesting elements to an employee's role in order to improve their motivation.

Job rotation – a system where employees move around – 'rotate' – different tasks. In the workplace to reduce boredom and increase motivation,

Motivation – the reasons an employee has for working hard and to the best of their ability.

Remuneration – the money an employee receives for working.