

# **MANAGEMENT**

## Curriculum Content Frameworks

**Please note: All assessment questions will be taken from the knowledge portion of these frameworks.**

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# Curriculum Content Frameworks

## MANAGEMENT

Grade Levels: 10-12  
Course Code: 492320

Prerequisite: Tech Prep Core

Course Description: Management is a two-semester course that assists the student in understanding basic management functions. Students study the management process, decision-making, environmental factors, basic ethics, and social responsibility. Planning, organizing, leading, and controlling are emphasized as well as basic concepts of staffing, leadership, communications, entrepreneurship, and international management.

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# Unit 1: Business and Its Environment

Hours: 10

Terminology: Business, Business ethics, Capital goods, Capitalism, Command economy, Commercial business, Comparable worth, Competition, Consumer goods, Demand, Downsize, Economic system, Economic want, Economics, Effectiveness, Efficiency, Entrepreneur, Factors of production, Finance, Franchise, Glass ceiling, Gross Domestic Product (GDP), Industrial business, Intrapreneur, Labor, Labor force, Labor participation rate, Manufacturing business, Market economy, Mass production, Mixed economy, Monopoly, Output, Retailer, Service business, Social responsibility, Stakeholders, Supply, Total Quality Management (TQM), Underground economy, Utility, Wholesaler

<b>CAREER and TECHNICAL SKILLS</b>	
What the Student Should be Able to Demonstrate	
<b>Knowledge</b>	<b>Application</b>
1.1 Define terminology	1.1.1 Discuss vocabulary
1.2 Identify the types of businesses	1.2.1 Explain classifications of business: retailer, wholesaler, manufacturing business, service business
	1.2.2 Define and discuss entrepreneurship
1.3 Differentiate social, ethical, and environment issues facing business	1.3.1 Describe the impact of population growth/decline
	1.3.2 Explain social and/or environmental responsibilities
1.4 Explain the economic environment of business	1.4.1 Define basic economic concepts
	1.4.2 Discuss economic systems

## Unit 2: Business Ownership and Law

### Hours: 15

Terminology: Bankruptcy, Business plan, Charter, Cooperative, Copyright, Corporation, Creditors, Dividends, Excise tax, Income tax, Interstate commerce, Intrastate commerce, Licensing, Partnership, Patent, Property tax, Proxy, Sales tax, Shares, Sole proprietorship, Stockholder, Trademark

<b>CAREER and TECHNICAL SKILLS</b>	
What the Student Should be Able to Demonstrate	
<b>Knowledge</b>	<b>Application</b>
2.1 Define terminology	2.1.1 Discuss vocabulary
2.2 Analyze forms of business ownership	2.2.1 Compare advantages of proprietorships, partnerships, corporations
	2.2.2 Compare disadvantages of proprietorships, partnerships, corporations
2.3 Explain the legal aspects of business	2.3.1 Discuss the government's role in protecting and promoting business
	2.3.2 Identify different types of taxes and the function of taxation in business
2.4 Describe an effective business plan	2.4.1 Explain the purposes of a business plan and its importance
	2.4.2 List and understand the parts of a business plan
	2.4.3 Investigate resources for a business plan

## Unit 3: Information and Communication Systems

Hours: 10

Terminology: Apps, Brainstorming, Browser, Channel of communication, Chief Information Officer (CIO), Communication, Communication network, Conflict, E-commerce, E-mail, Ergonomics, Facsimile (FAX), Firewall, Internet Service Provider (ISP), Management Information System (MIS), Personal Digital Assistant (PDA), Search engine, Server, Social networking, Telecommunications

<b>CAREER and TECHNICAL SKILLS</b>	
What the Student Should be Able to Demonstrate	
<b>Knowledge</b>	<b>Application</b>
3.1 Define terminology	3.1.1 Discuss vocabulary
3.2 Examine organizational communication	3.2.1 Describe the communication process and channels
3.3 Discuss technology and information management	3.3.1 Discuss electronic technology fundamentals
	3.3.2 Examine common business uses of the Internet
	3.3.3 Describe the stages of e-commerce development

## Unit 4: Management Responsibilities

### 20

Terminology: Accountability, Centralized organization, Decentralized organization, Empowerment, Executive, Flattened organization, Human relations, Implementing, Leadership, Leadership style, Line organization, Management, Manager, Matrix organization, Mission statement, Motivation, Operational planning, Organization chart, Organizing, Planning, Policies, Procedure, Responsibility, Self-directed work team, Span of control, Standard, Strategic planning, Supervisor, SWOT analysis, Unity of command, Variance, Work team

<b>CAREER and TECHNICAL SKILLS</b>	
What the Student Should be Able to Demonstrate	
<b>Knowledge</b>	<b>Application</b>
4.1 Define terminology	4.1.1 Discuss vocabulary
4.2 Examine management functions and decision making	4.2.1 Define the four functions of management
	4.2.2 Differentiate between management and non-management employees
	4.2.3 Describe the five major job responsibilities of supervisors
	4.2.4 Identify how managers use information and research
	4.2.5 Identify the steps in an effective decision-making process
4.3 Evaluate the manager as a leader	4.3.1 Define important characteristics of leaders
	4.3.2 Identify five important human relation skills needed by managers
	4.3.3 Compare different leadership styles and their effectiveness
	4.3.4 Know why rules are important and the importance of their enforcement

**CAREER and TECHNICAL SKILLS**

What the Student Should be Able to Demonstrate

<b>Knowledge</b>	<b>Application</b>
4.4 Analyze planning and organization	4.4.1 Identify the value of planning for a business 4.4.2 Name the two levels of planning: organizational planning and strategic planning 4.4.3 Provide examples of planning tools used by managers 4.4.4 Define traditional types and newer types of organization structure
4.5 Discuss implementation and control	4.5.1 Identify major management tasks involved in implementing the work of an organization 4.5.2 Explain the different theories of employee motivation 4.5.3 Describe controlling processes 4.5.4 Recognize control methods businesses use for inventory, credit, theft, and health and safety

## Unit 5: Financial Management

**Hours: 25**

Terminology: Accounting, Accounting equation, Accounts payable, Accounts receivable, Assets, Balance sheet, Bank, Bond, Bonding, Book value, Budget, Capacity, Capital, Certificate of deposit (CD), Character, Check, Collateral, Commercial loan, Common stock, Conditions, Consumer loan, Credit card, Debit card, Direct deposit, Disability insurance, Electronic fund transfer (EFT), Endorsement, Equity capital, Financial statements, Health insurance, Income statement, Initial public offering (IPO), Installment credit, Insurance, Investment companies, Liabilities, Liability insurance, Life insurance, Malpractice insurance, Market value, No-fault insurance, Non-bank financial institution, Par value, Policy, Preferred stock, Prime rate, Promissory note, Restrictive check, Risk, Savings account, Secured loan, Securities, Smart card, Stock, Stockbroker, Unsecured loan, Venture capitalist, Working capital

<b>CAREER and TECHNICAL SKILLS</b>	
What the Student Should be Able to Demonstrate	
<b>Knowledge</b>	<b>Application</b>
5.1 Define terminology	5.1.1 Discuss vocabulary
5.2 Explain the importance of financial record keeping and analysis in a business	5.2.1 Discuss types of records and record keeping systems used in business
	5.2.2 Describe types of budgets and their uses
	5.2.3 Describe types of financial reports (balance sheet and income statement) and their uses
5.3 Examine methods of financing	5.3.1 Describe methods of obtaining capital
	5.3.2 Explain the different types of stock
	5.3.3 List common sources of outside capital
5.4 Discuss the services provided to business by financial institutions	5.4.1 Compare the types of financial institutions
	5.4.2 Describe common banking services
	5.4.3 Discuss investment instruments and decisions
	5.4.4 Examine the effects of governmental regulations on the financial industry
5.5 Examine credit and insurance in business	5.5.1 Explain the establishment of credit operations in business
	5.5.2 Discuss different kinds of transaction cards: i.e., debit card, credit card, smart card
	5.5.3 Describe the four C's of credit: character, capacity, capital, and conditions
	5.5.5 Discuss the different types of insurance

## Unit 6: Production and Marketing Management

### Hours: 20

Terminology: Advertising, Advertising media, Brand, Buying, Channels of distribution, Cost of goods sold, Decline stage, Discounts, Direct distribution, Distribution, Enhanced product, Financing, Gross profit, Growth stage, Introductory stage, Inventory management, List price, Manufacturing, Markdown, Market, Market research, Marketing, Marketing mix, Marketing plan, Markup, Mass production, Maturity stage, Net profit, Operating expenses, Price, Product, Product development, Product line, Product life cycle, Product research, Production, Promotion, Researching, Retailers, Sales promotions, Selling, Selling price, Services, Storing, Target markets, Transporting, Wholesalers

<b>CAREER and TECHNICAL SKILLS</b>	
What the Student Should be Able to Demonstrate	
Knowledge	Application
6.1 Define terminology	6.1.1 Discuss vocabulary
6.2 Discuss product planning	6.2.1 Formulate steps in new product development
	6.2.2 Analyze product life cycle
	6.2.3 Examine manufacturing processes
	6.2.4 Describe considerations in location and production process organization
	6.2.5 Discuss ways to maintain product and service quality
	6.2.6 Compare/Contrast product/service methods of customer satisfaction
6.3 Examine the nature and scope of marketing	6.3.1 Discuss marketing activities and the role of marketing in the economy
	6.3.2 Identify the elements of the marketing mix
6.4 Discuss product development/distribution	6.4.1 Identify levels of product development and types of product selection
	6.4.2 Explain the importance of packaging and branding in relation to customer/sales satisfaction
	6.4.3 Discuss the channels of distribution, distribution transportation, and product handling
6.5 Analyze product pricing and promotion	6.5.1 Discuss business/consumer buying decisions
	6.5.2 Examine pricing strategies and price control methods
	6.5.3 Discuss the need for product promotion and common promotional needs
	6.5.4 Identify advertising/promotion laws and regulations

## Unit 7: Human Resource Management

### Hours: 10

Terminology: Bonus, Career development, Career path, Career plan, Compensation, Cross training, Discharge, Employee benefits, Employee turnover, Exit interview, Flextime, Home office, Human resource management, Job description, Job design, Job enlargement, Job security, Job sharing, Job specification, Layoff, Mobile office, Pension plan, Performance review, Performance standards, Portfolio, Profit-sharing plan, Promotion, Salary, Training, Transfer, Virtual office, Wage

<b>CAREER and TECHNICAL SKILLS</b>	
What the Student Should be Able to Demonstrate	
<b>Knowledge</b>	<b>Application</b>
7.1 Define terminology	7.1.1 Discuss vocabulary
7.2 Discuss human resources planning	7.2.1 Identify procedures for identifying and selecting personnel
	7.2.2 Discuss factors relating to employee promotion, transfer, and release
	7.2.3 Compare plans for employee compensation
	7.2.4 List common employee benefits
7.3 Examine employee development and training	7.3.1 Explain the components of a career development program
	7.3.2 Discuss the importance of performance reviews and training to business and employees
	7.3.3 Identify steps in career planning
	7.3.4 Discuss nontraditional workspace: virtual office, home office, mobile office

## Unit 8: Global Business

### Hours: 10

Terminology: Comparative advantage, Culture, Domestic goods, Embargo, Exchange rate, Export, Foreign goods, Global business, Global competition, Import, International licensing, Joint venture, Multinational company, North America Free Trade Agreement (NAFTA), Quota, Sanctions, Strategic alliance, Tariff, World Trade Organization (WTO)

<b>CAREER and TECHNICAL SKILLS</b>			
What the Student Should be Able to Demonstrate			
<b>Knowledge</b>		<b>Application</b>	
8.1	Define terminology	8.1.1	Discuss vocabulary
8.2	Discuss international business	8.2.1	Describe the importance of International trade and investment
		8.2.2	Explain theory and practice of International trade
		8.2.3	Identify International trade obstacles or restraints

# Glossary

## Unit 1: Business and Its Environment

1. Business – an organization that produces or distributes a good or service for a profit
2. Business ethics – a collection of principles and rules of conduct based on what is right and wrong for an organization
3. Capital goods – buildings tools machines and other equipment that are used to produce other goods but do not directly satisfy human wants
4. Capitalism – an economic political system in which private citizens are free to go into business for themselves to produce whatever they choose to produce and to distribute what they produce as they please
5. Command economy – an economic system in which the method for determining what, how, and for whom goods and services are produced is decided by a central planning authority
6. Commercial business – firms engaged in marketing in finance and in furnishing services
7. Comparable worth – paying workers equally for jobs with similar but not identical job requirements
8. Competition – rivalry among sellers for consumers' dollars
9. Consumer goods – products produced for sale to individuals and families for person use
10. Demand – refers to the number of similar products that will be bought at a given time at a given price
11. Downsize – cutting back on the goods and services provided and, thereby, shrinking the size of a firm and the number of employees
12. Economic system – an organized way for a country to decide how to use its productive resources
13. Economic want – the desire for scarce material goods and services
14. Economics – the body of knowledge that relates to producing and using goods and services that satisfy human wants
15. Effectiveness – occurs when an organization makes the right decisions in deciding what products or services to offer customers or other users
16. Efficiency – occurs when an organization produces needed goods or services quickly at low cost
17. Entrepreneur – a person who starts, manages, and owns a business
18. Factors of production – land, labor, capital goods, and management—the four basic resources that are combined to create useful goods and services
19. Finance – deals with all money matters related to running a business

20. Franchise – a legal agreement between a company and a distributor to sell a product or service under special conditions
21. Glass ceiling – an invisible barrier to job advancement
22. Gross Domestic Product (GDP) – the total market value of all goods produced and services provided in a country in a year
23. Industrial business – firms that produce good that are often used by other businesses or organizations to make things
24. Intrapreneur – an employee who is given funds and freedom to create a special unit or department within a company in order to develop a new product process or service
25. Labor – the human effort either physical or mental that goes into the production of goods and services
26. Labor force – most people aged 16 or over who are available for work whether employed or unemployed
27. Labor participation rate – the percentage of the labor force either employed or actively seeking employment
28. Manufacturing business – businesses that produce goods
29. Market economy – an economic system that determines what how and for whom goods and services are produced by coordinating individual choices through arrangements that aid buying selling goods and services
30. Mass production – an assembly process in which a large number of products is produced each of which is identical to the next
31. Mixed economy – an economic system in which a combination of a market and a command economy is blended together to make decisions about what how and for whom goods and services are produced
32. Monopoly – exists when competition is lacking for a product or service or when producers are in a position to control the supply and price of goods or services
33. Output – the quantity or amount produced within a given time
34. Retailer – a business that sells directly to final customers
35. Service business – business that provide assistance to satisfy specialized needs through skilled workers
36. Social responsibility – the duty of a business to contribute to the well-being of society
37. Stakeholders – the owners, customers, suppliers, employees, creditors, government, the general public, and other groups who are affected by a firm's action
38. Supply – refers to the number of similar products that will be offered for sale at a particular time and at a particular price
39. Total Quality Management (TQM) – a commitment to excellence that is accomplished by teamwork and continual improvement
40. Underground economy – income that escapes being recorded in the GDP
41. Utility – the ability of a good or service to satisfy a want
42. Wholesaler – a business that buys products from businesses and sells them to retailers or other businesses



## Unit 2: Business Ownership and Law

1. Bankruptcy – a legal process that allows selling assets to pay off debts
2. Business plan – a written description of the business and its operations with an analysis of the opportunities and risks it faces
3. Charter – an official document granted by a state giving power to run a corporation
4. Cooperative – a business owned and operated by its user-members for the purpose of supplying themselves with goods and service
5. Copyright – similar to a patent in that the federal government gives an author the sole right to reproduce, publish, and sell literary or artistic work for the life of the author plus 70 years
6. Corporation – a business owned by a group of people and authorized by the state in which it is located to act as though it were a single person
7. Creditors – those to whom money is owed
8. Dividends – profits distributed to stockholders on a per-share basis
9. Excise tax – a sales tax that applies only to selected goods and services such as gasoline
10. Income tax – a tax levied against the profits of business firms and against earning of individuals
11. Interstate commerce – business operations and transactions that cross over state lines
12. Intrastate commerce – business transacted within a state
13. Licensing – a way to limit and control those who plan to enter certain types of businesses
14. Partnership – a business owned by two or more persons
15. Patent – an agreement in which the federal government gives an inventor the sole right for 20 years to make use and sell an invention
16. Property tax – a levy on material goods owned
17. Proxy – a written authorization for someone to vote on behalf of the person signing the proxy
18. Sales tax – a tax levied on the retail price of goods and services at the time they are sold
19. Shares – equal parts of the division of ownership of a corporation
20. Sole proprietorship – a business owned and managed by one person
21. Stockholder – owners of a corporation
22. Trademark – a distinguishing name symbol or special mark placed on a good or service that is legally reserved for the sole use of the owner

## Unit 3: Information and Communication Systems

1. Apps - an abbreviation for application; a piece of software that can run on the Internet, on a computer, phone or other electronic device
2. Brainstorming - a group discussion technique that is used to generate as many ideas as possible for solving a problem
3. Browser – a program that permits you to navigate and view Web pages
4. Channel of communication – the means by which a message is conveyed
5. Chief information officer (CIO) – the top computer executive
6. Communication – refers to the sharing of information which results in a high degree of understanding between the message sender and receiver
7. Communication network – a structure through which information flows in a business
8. Conflict – a situation that develops when one person interferes with the achievement of another's goals
9. E-commerce – doing business online
10. E-mail - an electronic form of communication
11. Ergonomics – a science of adapting equipment to the work and health needs of people
12. Facsimile (FAX) – an exact copy or reproduction; duplicator that transmits the copy by wire or radio
13. Firewall – a system using special software that screens people who enter or exit a network by requesting passwords
14. Internet service provider (ISP) – a service that provides Internet access
15. Management information system (MIS) – integrates data from various departments to make it available to help managers with daily business operations
16. Personal digital assistant (PDA) – a small computer-like device that can send and receive messages wirelessly
17. Search engine – a program that assists in locating information on the Internet
18. Server - a computer that stores data and application software for all computing workstations in a single building or building complex
19. Social networking - virtual communities for people interested in sharing information about themselves with others
20. Telecommunications – exchange of information over distances by electronic means

## Unit 4: Management Responsibilities

1. Accountability – the obligation to accept responsibility for the outcomes of assigned tasks
2. Centralized organization – all major planning and decision making is done by a group of top managers in the business
3. Decentralized organization – a business is divided into smaller operating units, and managers are given almost total responsibility
4. Empowerment – letting workers decide how to perform their work tasks and offer ideas on how to improve the work process
5. Executive – a top-level manager who spends almost all of his or her time on management functions
6. Flattened organization – one with fewer levels of management than traditional structures
7. Human relations – how well people get along with each other when working together
8. Implementing – carrying out plans and helping employees work effectively
9. Leadership – the ability to influence individuals and groups to achieve organizational goals
10. Leadership style – the general way a manager treats and directs employees
11. Line organization – all authority and responsibility may be traced in a direct line from the top executive down to the lowest employee level in the organization
12. Management – the process of accomplishing the goals of an organization through the effective use of people and other resources
13. Manager – a person who complete all four management functions on a regular basis and has authority over other jobs and people
14. Matrix organization – combines workers into temporary work teams to complete specific projects
15. Mission statement – a short specific statement of the purpose and direction of the business
16. Motivation – the set of factors that cause a person to act in a certain way
17. Operational planning – short –term planning that identifies specific activities for each area of the business
18. Organization chart – a visual device that shows the structure of an organization and the relationships among workers and divisions of work
19. Organizing – determining how plans can most effectively be accomplished; arranging resources to complete work
20. Planning – analyzing information and making decisions about what needs to be done
21. Policies – guidelines used in making decisions regarding specific recurring situations

22. Procedure – a list of steps to be followed for a performing certain work
23. Responsibility - the obligation to do an assigned task
24. Self-directed work team – a team in which members together are responsible for the work assigned to the team
25. Span of control – the number of employees who are directly supervised by one person
26. Standard – a specific measure by which something is judged
27. Strategic planning – long-term planning that provides broad goals and directions for the entire business
28. Supervisor – lowest level of management; oversees day-to-day operations
29. SWOT analysis – an examination of an organization's internal strengths and weaknesses as well as opportunities and threats from its external environment
30. Unity of command – means that no employee has more than one supervisor at a time
31. Variance – the difference between current performance and the standard
32. Work team – a group of individuals who cooperate to achieve a common goal

## Unit 5: Financial Management

1. Accounting – A systematic process of recording and reporting the financial information resulting from business transactions
2. Accounting equation –  $\text{Assets} = \text{Liabilities} + \text{Capital}$
3. Accounts payable – Money owed for credit purchases
4. Accounts receivable – the amount owed by customers
5. Assets – things owned, such as cash and buildings
6. Balance sheet – a financial statement that lists the assets, liabilities, and capital of a business
7. Bank – an institution that accepts demand deposits and makes commercial loans
8. Bond – a long-term written promise to pay a definite sum of money at a specified time
9. Bonding – provides payment of damages to people who have losses resulting from the negligence or dishonesty of an employee or from the failure of the business to
10. Book value – the value of a share of stock that is found by dividing the net worth (assets minus liabilities) of the corporation by the total number of shares outstanding
11. Budget – a financial plan extending usually for one year
12. Capacity – earning power
13. Capital – what a business is worth after subtracting liabilities from assets
14. Certificate of Deposit (CD) – a savings account that requires an investor to deposit a specified sum for a fixed period at a fixed interest rate
15. Character – an indication of one's moral obligation to pay debts
16. Check – a written order on a financial institution to pay previously deposited money to a third party on demand
17. Collateral – property a borrower pledges to assure repayment of a loan
18. Commercial loan – a loan made to a business
19. Common stock – ownership that gives holders the right to participate in managing the business by having voting privileges and by sharing in the profits (dividends) if there are any
20. Conditions – relate to economic and other matters such as the economic health of an community or nation and the extent of business competition that affects credit decisions

21. Consumer loan – a loan made to an individual
22. Credit card - a plastic card with a magnetic strip or an embedded microchip connected to a credit account and used for goods or services
23. Credit union - a type of bank that is organized as a nonprofit business
24. Debit card – allows a person to make cash withdrawals from ATMs, pay bills by phone from bank accounts, and pay for onsite purchases such as food and household items
25. Direct deposit – allows business to electronically transfer employees' paychecks directly from the employer's bank account to employees' bank accounts
26. Disability insurance – offers payments to employees who are no longer able to work because of accidents or illnesses
27. Electronic Fund Transfer (EFT) – transferring money by computer rather than by check
28. Endorsement – the signature--usually on the back--that transfers a negotiable instrument
29. Equity capital – money invested in the business by its owner or owners
30. Financial statements – reports that summarize financial data over a period of time
31. Health insurance – provides protection against the expenses of health care
32. Income statement – a financial document that reports total revenue and expenses for a specific period
33. Initial Public Offering (IPO) – the first time a company sells stock to the public

34. Installment credit – credit used when a customer makes a sizable purchase and agrees to make payments over an extended but fixed period of time
35. Insurance – a risk management tool that limits financial loss from uncontrollable events in exchange for regular payments
36. Investment companies – an organization that specializes in the sale of a variety of stocks, bonds, and other securities
37. Liabilities – claims against assets or things owed—the debts of a business
38. Liability insurance –provides protection for risks involved in operating a business
39. Life insurance – provides money that is paid upon the death of the insured to a person or people identified in the insurance policy
40. Malpractice insurance – a type of liability insurance that protects against financial loss arising from suits for negligence in providing professional services
41. Market value – the value at which stock is bought and sold on any given day
42. No-fault insurance – each insurance company is required to pay the losses of its insured when an accident occurs, regardless of who might have been responsible for the loss
43. Non-bank financial institution – an institution that offers on demand deposits or commercial loans, but not both

44. Par value – a dollar value shown on a share of stock, which is an arbitrarily assigned amount that is used for bookkeeping purposes
45. Policy – the written agreement, or contract, between the insurer and the policyholder
46. Preferred stock – ownership that gives holders preference over the common stockholders when distributing dividends or assets
47. Prime rate – the lowest rate of interest; the rate at which large banks loan large sums to the best-qualified borrowers
48. Promissory note – an unconditional written promise to pay a certain sum of money, at a particular time or on demand, to the order of one who has obtained the note
49. Restrictive check - a check that is endorsed for deposit only
50. Risk – the uncertainty that a loss may occur
51. Savings account – an account that allows customers to make deposits, earn interest, and make withdrawals at any time without financial penalties
52. Secured loan – a loan that requires the borrower to pledge something of value as security
53. Securities – stocks and bonds
54. Smart card – a credit and debit card with a memory that stores financial, health, credit, and other kinds of data that can be read by computers
55. Stock – a share of ownership in corporation
56. Stockbroker – a professional who buys and sells corporate securities for customers through a stock brokerage firm and gives investment advice
57. Unsecured loan - a loan that is not backed by collateral
58. Venture capitalist - an investor or investment group that lends large sums of money to promising new or expanding small companies
59. Working capital – the difference between current assets and current liabilities

## Unit 6: Production and Marketing Management

1. Advertising – all forms of paid promotions that deliver a message to many people at the same time
2. Advertising media – the methods of delivering the promotional message to the intended audience
3. Brand – a name, symbol, word, or design that identifies a product, service, or company
4. Buying – obtaining goods to be resold
5. Channels of distribution – the routes products and services follow, including the activities and participating organizations, while moving from the producer to the consumer
6. Cost of goods sold – the cost to produce the product or buy it for resale
7. Decline stage - occurs when a new product is introduced that is much better or easier drive and customers begin to switch from the old product to the new product
8. Discounts – reductions from the price of the product to encourage customers to buy
9. Distribution – the set of activities required to transport and store products, and make them available to customers
10. Direct distribution - producers selling directly to the ultimate consumer
11. Enhanced product - offers different features and options for the consumer
12. Financing – providing money that is needed to perform various marketing activities, such as obtaining credit when buying and extending credit when selling
13. Gross profit – term used to indicate the difference between the selling price and the cost of goods sold
14. Growth stage - occurs when several brands of the new product are available
15. Introductory stage - occurs when a brand new product enters the market
16. Inventory management – determines the quantities of materials and supplies needed for production and the amount of finished products required to meet customer orders
17. List price – the original price that the seller posts on the product
18. Manufacturing – a special form of production in which raw and semi-finished materials are processed and converted into finished products
19. Markdown – any amount by which the original selling price is reduced before an item is sold
20. Market – the types of buyers a business wishes to attract and where such buyers are located
21. Market research – the study of a company's current and prospective customers
22. Marketing – the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create

exchanges that satisfy individual and organizational objectives

23. Marketing mix – the blending of all decisions that are related to the four elements of marketing
24. Marketing plan – a detailed written description of all marketing activities that a business must accomplish in order to sell a product
25. Markup – the amount added to the cost of a product to determine its selling price
26. Mass production - manufacturing or processing of uniform products in large quantities using interchangeable parts or machinery
27. Maturity stage - occurs when there are many competing brands with very similar features
28. Net profit – the difference between the selling price and all costs and expenses of the business
29. Operating expenses – the costs of operating a business
30. Price – the amount of money given to acquire a product
31. Product – all attributes that customers receive in exchange for the purchase price
32. Product development – the process of developing or improving a product or service
33. Product life cycle - the four stages of sales and profit performance through which all brands of a product progress
34. Product line - a group of similar products with obvious variations in design and quality to meet the needs of a distinct customer group
35. Product research – research done to develop new products or discover improvements for existing products
36. Production – involves making a product or providing a service
37. Promotion – providing information to consumers that will assist them in making a decision to purchase a product or service, or the advancement of an employee within a company to a position with more authority and responsibility
38. Researching – studying buyer interests and needs testing products, and gathering facts needed to make good marketing decisions
39. Retailers – businesses that sell directly to final customers
40. Sales promotions – any promotional activities other than advertising and personal selling intended to motivate customers to buy
41. Selling – providing personalized and persuasive information to customers to help them buy the products and services they need
42. Selling price – the actual price paid for a company's products by the customer
43. Services – activities of value that do not result in the ownership of a physical product, or intangible products that result from a high degree of labor input and that satisfy consumer needs

44. Storing – holding goods until needed by consumers, such as on shelves, in storage rooms, or in warehouses
45. Target markets – groups of customers with very similar needs to whom the company can sell its product
46. Transporting – moving goods from where they are made to where consumers can buy them
47. Wholesalers – businesses that buy products from businesses and sell them to retailers or other businesses

## Unit 7: Human Resource Management

1. Bonus – bonus paid at the end of a specific period of time for performance that exceeds the expected standard
2. Career development – a program that matches the career planning of employees with the employment needs of businesses
3. Career path – a progression of related jobs with increasing skill requirements and responsibility
4. Career plan – identifies the jobs that are a part of the employee's career path, the training and development
5. Compensation – the money or other benefits people receive for work
6. Cross training – employees are trained to perform more than one job in the company even though they typically perform only one
7. Discharge – the termination of an employee from the company due to inappropriate work behavior
8. Employee benefits – all forms of compensation and services the company provides to employees in addition to salaries and wages
9. Employee turnover – the rate at which people enter and leave employment in a business during a year
10. Exit interview – a formal interview with an employee who is leaving a company to determine the person's attitudes and feelings about the company's policies and procedures, management, and operations
11. Flextime – a plan that lets employees choose their own work hours, within specifies limits
12. Home office – space within a person's home that is organized for the efficient performance of office tasks
13. Human resource management – all activities involved with acquiring, developing, and compensating the people who do the company's work
14. Job description – a list of basic tasks that make up a job
15. Job design – the kind of work and the way the work is organized
16. Job enlargement – making a job more interesting by adding variety to the tasks
17. Job security – the likelihood that employment will not be terminated
18. Job sharing – an employment plan that allows two people to share one full-time job
19. Job specification – a list of the qualifications a worker needs to do a job

20. Layoff – a temporary or permanent reduction in the number of employees resulting from a change in business conditions
21. Mobile office – an establishment defined by its ability to accomplish business activities in a temporary environment
22. Pension plan – a company sponsored retirement plan that makes regular payments to employees after retirement
23. Performance review – the process of assessing how well employees are doing their jobs
24. Performance standards – specific statements of the expected results from critical business activities
25. Portfolio – an organized collection of information and materials that represents a person's accomplishments
26. Profit-sharing plan – a benefit plan that pays employees a small percentage of the company's profits at the end of the year
27. Promotion – (1) providing information to consumers that will assist them in making a decision to purchase a product or service (2) the advancement of an employee within a company to a position with more authority and responsibility
28. Salary – compensation paid on other than an hourly basis, such as weekly or monthly
29. Training - the process of bringing an employee to an agreed standard of efficiency by practice and instruction
30. Transfer – the assignment of an employee to another job in the company that involves the same type of responsibility and authority
31. Virtual office – the capability to perform work activities away from a traditional office setting
32. Wage – compensation paid on an hourly basis

## Unit 8: Global Business

1. Comparative advantage - the theory that a country should specialize in products or services that it can provide more efficiently than can other countries
2. Culture - the customs, beliefs, values, and patterns of behavior of the people of a country or group
3. Domestic goods – products made by firms within a country
4. Embargo - a total ban from doing business from a particular country
5. Exchange rate - the value of one's country's currency expressed in the currency of another country
6. Export - goods and services that are sold abroad
7. Foreign goods – products made by firms in other countries
8. Global business - business activities that occur between two or more countries
9. Global competition – the ability of profit-making organizations to compete with other businesses in other countries
10. Import - goods or services that are purchased abroad
11. International licensing - the arrangement in which one international company allows another international company in another country to make and sell products according to certain specifications
12. Joint ventures - two or more businesses that agree to provide a good or service, sharing the cost and profits of doing business
13. Multinational company - a business willing to make a significant financial commitment to establish manufacturing and distribution facilities in foreign countries
14. North America Free Trade Agreement (NAFTA) - a trading bloc consisting of the United States, Canada, and Mexico
15. Quota - the way by which governments restrict the availability of foreign goods, limiting the quantity or value of units permitted
16. Sanctions - a milder form of embargo that bans specific business ties with a foreign country
17. Strategic alliance - arrangements in which firms agree to cooperate on certain aspects of business while remaining competitors on other aspects
18. Tariff - a tax on an import
19. World Trade Organization (WTO) - international organization that creates and enforces rules governing trade among countries