

# **SMALL BUSINESS OPERATIONS**

## 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

## SMALL BUSINESS OPERATIONS

Grade Levels: 10,11,12  
Course Code: 492700

Prerequisite: Keyboarding,  
Computer Applications I OR  
CBA

Course Description: Small Business Operations is a two-semester course designed for students interested in learning how to manage a small business. Students will be required to participate in laboratory work. The lab experience will consist of operating a School Based Enterprise. In addition to the lab work, students will also complete a series of lessons designed to prepare them for the transition to higher education and/or an entrepreneurial career. Although it is not mandatory, many students can benefit from the on-the-job training component (cooperative education) of this course. The student's job must relate to his/her career objective.

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# Unit 1: Introduction to Small Business Operations

## Hours: 10

Terminology: Business plan, Charter, Co-curricular, Corporation, Creativity, DECA, Entrepreneur, Entrepreneurship, Executive summary, Marketing education, Partnership, Partnership agreement, Proprietorship, Risk-taking, School Based Enterprise (SBE), Self-confident

| <b>CAREER and TECHNICAL SKILLS</b> |                                   |  |  |
|------------------------------------|-----------------------------------|--|--|
| What the Student Should Know       |                                   | What the Student Should be Able to Demonstrate |  |
| <b>Knowledge</b>                   |                                   | <b>Application</b>                             |  |
| 1.1                                | Define terminology                | 1.1.1  | Prepare a list of terms with definitions   |
| 1.2                                | The School Based Enterprise (SBE) | 1.2.1  | Identify the benefits of a School Based Enterprise                                       |
| 1.3                                | DECA                              | 1.3.1  | Describe the co-curricular relationship that exists between marketing education and DECA |
| 1.4                                | Entrepreneurship as a career      | 1.4.1  | Identify benefits of an entrepreneurial career   |
| 1.5                                | Entrepreneurship and the economy  | 1.5.1  | Determine why entrepreneurship is important to the US economy                            |
| 1.6                                | Characteristics of entrepreneurs  | 1.6.1  | Describe the psychological characteristics of successful entrepreneurs                   |
| 1.7                                | Forms of business ownership       | 1.7.1  | Evaluate the forms of small business ownership   |
| 1.8                                | The business plan                 | 1.8.1  | Evaluate the sections of a business plan   |

## Unit 2: Managing the School Based Enterprise

### Hours: 10

Terminology: Controlling, Job rotation, Leadership, Leading, Managing, Mission statement, Organizing, Planning, Policies, Procedures, Self-directed work team, Staffing

| CAREER and TECHNICAL SKILLS  |                                     |  |  |
|------------------------------|-------------------------------------|--|--|
| What the Student Should Know |                                     | What the Student Should be Able to Demonstrate |  |
| Knowledge                    |                                     | Application                                    |  |
| 2.1                          | Define terminology                  | 2.1.1  | Prepare a list of terms with definitions                                       |
| 2.2                          | Management functions and activities | 2.2.1  | Describe the functions of management: planning, organizing, staffing, leading, |
|                              |                                     | 2.2.2  | Create an employee work schedule for the School Based Enterprise               |
|                              |                                     | 2.2.3  | Organize the employee work area in the School Based Enterprise                 |
|                              |                                     | 2.2.4  | Develop policies and procedures for the School Based Enterprise                |
| 2.3                          | Importance of leadership            | 2.3.1  | Explain the importance of effective leadership to small business ownership     |
| 2.4                          | Missionstatement                    | 2.4.1  | Explain the purpose of a mission statemen                                      |
|                              |                                     | 2.4.2  | Write a mission statement for the School Based Enterprise                      |
| 2.5                          | Teamwork                            | 2.5.1  | Demonstrate effective teamwork in the School Based Enterprise                  |
|                              |                                     | 2.5.2  | Participate in a job rotation program in the School Based Enterprise           |

## Unit 3: Product and Service Management for the School Based Enterprise

### Hours: 10

Terminology: Bartering, Business-to-business marketing, Central market, Focus group, Gross margin/pross profit, Inventory, Invoice, Just-in-Time (JIT) inventory management, Markdown, Marketing information system, Marketing research, Markup, Net profit, Packing list, Pricing, Primary data, Product, Purchasing, Secondary, Data, Service, Survey, Vendor

| <b>CAREER and TECHNICAL SKILLS</b> |                      |  |   |
|------------------------------------|----------------------|--|---|
| What the Student Should Know       |                      | What the Student Should be Able to Demonstrate |   |
| <b>Knowledge</b>                   |                      | <b>Application</b>                             |   |
| 3.1                                | Define terminology   | 3.1.1  | Prepare a list of terms with definitions  |
| 3.2                                | Product knowledge    | 3.2.1  | Acquire product knowledge specific to the product assortment offered by the School Based Enterprise |
|                                    |                      | 3.2.2  | Determine the retail price for products offered by the School Based Enterprise                      |
| 3.3                                | Receiving procedures | 3.3.1  | Demonstrate correct inventory receiving procedures for the School Based Enterprise                  |
| 3.4                                | Selling services     | 3.4.1  | Explain characteristics of services   |
| 3.5                                | Marketing research   | 3.5.1  | Collect marketing information for use in business decisions   |

## Unit 4: Managing Risk for the Small Business

### Hours: 10

**Terminology:** Burglary, Cash drawer, Credit, Credit card, Debit card, Economic risk, Employee pilferage, Human risk, Inventory shrinkage, Natural risk, Opening cash fund, Opportunity, Point-of-sale terminal, Product liability insurance, Professional liability insurance, Risk, Risk management, Robbery, Shoplifting, Surety bond, Till

| <b>CAREER and TECHNICAL SKILLS</b> |                     |  |   |
|------------------------------------|---------------------|--|---|
| What the Student Should Know       |                     | What the Student Should be Able to Demonstrate |   |
| <b>Knowledge</b>                   |                     | <b>Application</b>                             |   |
| 4.1                                | Define terminology  | 4.1.1  | Prepare a list of terms with definitions  |
| 4.2                                | Safety Issues       | 4.2.1  | Demonstrate correct employee safety procedures specific to the School Based   |
|                                    |                     | 4.2.2  | Identify actions that will prevent customer accidents   |
| 4.3                                | Inventory shrinkage | 4.3.1  | Identify methods for preventing shoplifting   |
| 4.4                                | Employee pilferage  | 4.4.1  | Distinguish between shoplifting and employee pilferage  |
|                                    |                     | 4.4.2  | Identify methods for preventing employee pilferage  |
| 4.5                                | Robbery             | 4.5.1  | Determine procedures to be followed during a robbery  |
| 4.6                                | Cash transactions   | 4.6.1  | Demonstrate the correct organization for a cash drawer  |
|                                    |                     | 4.6.2  | Verify the opening cash fund for the cash drawer of the School Based Enterprise   |
|                                    |                     | 4.6.3  | Demonstrate proper procedures for completing cash transactions using the School Based Enterprise point-of-sale terminal   |
| 4.7                                | Credit transactions | 4.7.1  | Distinguish between credit and debit cards  |
|                                    |                     | 4.7.2  | Demonstrate proper procedures for completing credit transactions using the School Based Enterprise point-of-sale terminal |
| 4.8                                | Preventing burglary | 4.8.1  | Distinguish between a burglary and a robbery  |
|                                    |                     | 4.8.2  | Determine methods that will reduce the likelihood of a burglary   |
| 4.9                                | Managing risk       | 4.9.1  | Determine methods and strategies for dealing with risk  |

## Unit 5: Marketing for Small Business

**Hours: 10**

Terminology: Atmospherics, Competition, Marketing, Marketing concept, Marketing mix, Non-price competition, Personal selling, Place/Distribution, Price, Price competition, Product, Product assortment, Productline, Promotion, Relationship marketing, Substitute selling, Suggestion selling, Viral marketing, Visual merchandising

| <b>CAREER and TECHNICAL SKILLS</b>                         |   |
|--|---|
| What the Student Should Know                               | What the Student Should be Able to Demonstrate  |
| <b>Knowledge</b>   | <b>Application</b>  |
| 5.1 Define terminology                                     | 5.1.1 Prepare a list of terms with definitions  |
| 5.2 The marketing mix for the School Based Enterprise      | 5.2.1 Determine a pricing strategy for the School Based Enterprise  |
|  | 5.2.2 Develop a promotional activity for the School Based Enterprise  |
|  | 5.2.3 Evaluate the product mix of the School Based Enterprise   |
|  | 5.2.4 Identify methods of distribution used by vendors of the School Based Enterprise                           |
| 5.3 Competitive strategies for the School Based Enterprise | 5.3.1 Distinguish between price and non-price competition factors as illustrated in the School Based Enterprise |
|  | 5.3.2 Describe the role of competition in business  |
| 5.4 Promotional Issues for the School Based Enterprise     | 5.4.1 Identify appropriate promotional methods for the School Based Enterprise                                  |
|  | 5.4.2 Recognize how atmospherics/visual merchandising can influence customer                                    |
| 5.5 Relationship marketing                                 | 5.5.1 Describe strategies for developing long-term relationships with customers                                 |
| 5.6 Personal selling in the School Based Enterprise        | 5.6.1 Determine how personal selling enhances customer satisfaction   |
|  | 5.6.2 Demonstrate personal selling in the School Based Enterprise   |

## Unit 6: Ethical and Legal Considerations

### Hours: 10

**Terminology:** Americans with Disabilities Act, Code of ethics, Environmental Protection Agency (EPA), Equal Employment Opportunity Commission, Ethics, Green marketing, Occupational Safety and Health Administration (OSHA), Recycling, Sanitarian, Social responsibility, Sustainability

| <b>CAREER and TECHNICAL SKILLS</b>                 |   |
|--|---|
| What the Student Should Know                       | What the Student Should be Able to Demonstrate  |
| <b>Knowledge</b>                                   | <b>Application</b>  |
| 6.1 Define terminology                             | 6.1.1 Prepare a list of terms with definitions  |
| 6.2 Social responsibility                          | 6.2.1 Explain social responsibility   |
| 6.3 Ethics   | 6.3.1 Develop a code of ethics  |
|  | 6.3.2 Demonstrate ethical work habits   |
| 6.4 Health regulations                             | 6.4.1 Identify county health department regulations that protect the health of the public |
|  | 6.4.2 Determine the duties of the county sanitarian                                       |
| 6.5 Legal requirements                             | 6.5.1 Explain provisions of the Americans with Disabilities Act                           |
|  | 6.5.2 Explain requirements of the Equal Employment Opportunity Commission                 |
|  | 6.5.3 Explain requirements of the Occupational Safety and Health Administration (OSHA)    |
|  | 6.5.4 Explain the purpose of the Environmental Protection Agency (EPA)                    |
| 6.6 Recycling, sustainability, and green marketing | 6.6.1 Evaluate the feasibility of a recycling program for the School Based Enterprise     |
|  | 6.6.2 Identify measures for improving sustainability for the School Based Enterprise      |
|  | 6.6.3 Develop a green marketing strategy for the School Based Enterprise                  |

# Unit 7: Managing Human Resources

**Hours: 10**

Terminology: Accountability, Authority, Discharge, Employee empowerment, Employee turnover, Exit interview, Human resources management, Job description, Layoff, Organizational chart, Organizing, Promotion, Responsibility, Span of control, Transfer, Unity of command

| CAREER and TECHNICAL SKILLS           |                               |             |  |
|---------------------------------------|-------------------------------|-------------|--|
| What the Student Should be Able to Do |                               |             |  |
| Knowledge                             |                               | Application |  |
| 7.1                                   | Define terminology            | 7.1.1       | Prepare a list of terms with definitions   |
| 7.2                                   | Human resources management    | 7.2.1       | Distinguish between the human resource management principles: responsibility, authority, unity of command, span of control, and employee empowerment |
| 7.3                                   | Organizing the small business | 7.3.1       | Create an organizational chart for the School Based Enterprise   |
|                                       |                               | 7.3.2       | Write a job description related to the School Based Enterprise   |
| 7.4                                   | Hiring employees              | 7.4.1       | Create a job application form  |
|                                       |                               | 7.4.2       | Recruit job applicants   |
|                                       |                               | 7.4.3       | Conduct a job interview  |
|                                       |                               | 7.4.4       | Evaluate job applicants  |
| 7.5                                   | Employee evaluation           | 7.5.1       | Distinguish between employee transfers and promotions  |
|                                       |                               | 7.5.2       | Complete an employee evaluation process  |
| 7.6                                   | Employee turnover             | 7.6.1       | Distinguish between employee layoffs and discharges  |
|                                       |                               | 7.6.2       | Calculate an employee turnover rate  |
|                                       |                               | 7.6.3       | Explain the purpose of an exit interview   |

## Unit 8: Financial Issues and Accounting Records

### Hours: 10

Terminology: Accounts payable, Accounts receivable, Assets, Balance sheet, Capital expenses, Debt capital, Equity capital, Financial statement, Income statement, Liabilities, Operating expenses, Revenue, Start-up budget

| <b>CAREER and TECHNICAL SKILLS</b> |                      |  |  |
|------------------------------------|----------------------|--|--|
| What the Student Should Know       |                      | What the Student Should be Able to Demonstrate |  |
| <b>Knowledge</b>                   |                      | <b>Application</b>                             |  |
| 8.1                                | Define terminology   | 8.1.1  | Prepare a list of terms with definitions                             |
| 8.2                                | Starting a business  | 8.2.1  | Determine start-up capital needs                                     |
|                                    |                      | 8.2.2  | Distinguish between capital expenses and operating expenses          |
|                                    |                      | 8.2.3  | Evaluate sources of start-up capital                                 |
|                                    |                      | 8.2.4  | Create a start-up budget for the School Based Enterprise             |
| 8.3                                | Managing revenue     | 8.3.1  | Calculate revenue for the School Based Enterprise                    |
|                                    |                      | 8.3.2  | Evaluate a "Z" report for the School Based Enterprise                |
| 8.4                                | Financial statements | 8.4.1  | Create an income statement for the School Based Enterprise           |
|                                    |                      | 8.4.2  | Create a balance sheet for the School Based Enterprise               |
| 8.5                                | Credit records       | 8.5.1  | Distinguish between accounts payable and accounts receivable records |

# Glossary

## Unit 1: Introduction to Small Business Operations

1. Business plan – a written document prepared to guide the development and operation of a new business
2. Charter – a legal document allowing the corporation to operate as if it were a person
3. Co-curricular – this means that DECA activities are directly related to classroom instruction
4. Corporation – a business owned by people who purchase stock in the company
5. Creativity – the ability to use imaginative skills to find unique ways to solve problems
6. DECA – an association of marketing students
7. Entrepreneur – someone who takes the risk to start a new business
8. Entrepreneurship – the process of planning, creating, and managing a new business
9. Executive summary – the part of a business plan which provides an overview of the business concept and the important points covered in the plan
10. Marketing education – a course designed to provide students with fundamental skills and concepts needed for success in careers in marketing, management, and entrepreneurship
11. Partnership – a business that is owned and operated by two or more people who share in the decision making and profitability of the company
12. Partnership agreement – a is a legal document that specifies the responsibilities and financial relationships of the partners
13. Proprietorship – a business owned and managed by one person

## Unit 2: Managing the School Based Enterprise

1. Controlling – measuring performance, comparing it with goals and making adjustments when necessary
2. Job rotation – occurs when employees learn a variety of jobs within one company and regularly switch jobs within the same organization
3. Leadership – the ability to earn the respect and cooperation of employees to effectively accomplish the work of the business
4. Leading – the ability to communicate the direction of the business and influence others to successfully carry out the needed work
5. Managing – getting the work of an organization done through its people and resources
6. Mission statement – a short, specific statement of the business's purpose and direction. It should identify the nature of the business or the reasons why the organization exists
7. Organizing – arranging people, activities, and resources in the best way to accomplish the goals of the organization
8. Planning – analyzing information, setting goals, and determining how to achieve them
9. Policies – rules or guidelines to be used in a company to make consistent decisions
10. Procedures – the steps to be followed for consistent performance of important activities
11. Self-directed work team – a group of employees who work together toward a common purpose or goal without the usual managerial or other supervision
12. Staffing – matching individuals with the work to be done

## Unit 3: Product and Service Management for the School Based Enterprise

1. Bartering – this occurs when small business owners decide to exchange products or services, rather than purchasing with cash
2. Business-to-business marketing – this is the exchange of products and services between businesses
3. Central market – this is a location where people bring products to be sold or exchanged
4. Focus group – a small number of people brought together to discuss identified elements of an issue or problem
5. Gross margin/gross profit – the difference between the cost of the product and the selling price
6. Inventory – the assortment of products maintained by a business
7. Invoice – an itemized billing statement with the terms of payment for the order
8. Just-in-Time (JIT) inventory management – this means that the inventory level is kept low and resupplied just as it is needed
9. Markdown – this is a reduction from the original selling price
10. Marketing information system – an organized method of collecting, storing, analyzing, and retrieving information to improve the effectiveness and efficiency of marketing decisions
11. Marketing research – a procedure designed to identify solutions to a specific marketing problem through the use of scientific problem solving
12. Markup – this is an amount added to the cost of a product to determine its selling price
13. Net profit – the difference between the selling price and all costs and operating expenses associated with producing the product
14. Packing list – the vendor fills orders and sends it to the buyer along with this itemized listing of all of the products included in the shipment
15. Price – this is the amount of money a customer must pay for a product or service
16. Primary data – information collected for the first time to solve the problem being studied
17. Product – this is anything tangible offered to a market by a business to satisfy customer needs
18. Purchasing – includes determining the products and services needed, identifying the best sources to obtain them, and completing the activities necessary to obtain them
19. Secondary data – information that has already been collected for another purpose that can be used to solve the current problem
20. Service – an activity that is intangible, exchanged directly from the producer to consumer, and consumed at the time of production
21. Survey – a planned set of questions to which individuals or groups of people respond

## Unit 4: Managing Risk for the Small Business

1. Burglary – illegal entry into a building to commit a theft and usually occurs when the business is closed
2. Cash drawer – organized from right to left by lowest denominations
3. Credit – allows customers to buy immediately and pay later
4. Credit card – issued by a bank and allows customers to purchase goods or services from a merchant on credit. The card comes in a standard size with a magnetic stripe that holds machine readable code. The cost to the merchant is normally 2%-5% of total credit card purchases
5. Debit card – used like a credit card, but the funds are transferred directly from the customer's bank account to the business's account
6. Economic risk – associated with political and economic trends. Examples: unemployment, inflation, competition, new government regulations
7. Employee pilferage/employee theft – any stealing, use or misuse of the employer's assets
8. Human risk – caused by the potential actions of customers, employees, or other individuals. Examples: shoplifting, employee pilferage or negligence
9. Inventory shrinkage – the loss of products due to theft, fraud, negligence, or error
10. Natural risk – caused by the unpredictability of nature Examples: floods, tornados, earthquakes
11. Opening cash fund – the amount of money that each cashier will start with at beginning of the business day
12. Opportunity – the possibility of success
13. Point-of-sale terminal – a sophisticated cash register connected to a computer
14. Product liability insurance – provides protection from consumer claims arising from the use of the company's products
15. Professional liability insurance – protects against claims of negligent or harmful actions by business professionals. Example: malpractice insurance for a doctor

## Unit 5: Marketing for Small Business

1. Atmospherics – the elements of the shopping environment that are appealing to customers, attract them to a store, and encourage them to buy
2. Competition – the rivalry among businesses for consumers' dollars
3. Marketing – the creation and maintenance of satisfying exchange relationships
4. Marketing concept – the is using the needs and wants of customers as the primary focus of all business decisions – satisfying customers while making a profit
5. Marketing mix – the elements of marketing, also known as the or the 4 P's, are: Product, Price, Place/Distribution, Promotion
6. Non-price competition – occurs when businesses compete on factors other than price
7. Personal selling – direct, face-to-face contact, with potential customers to asses their needs and satisfy those needs
8. Place/distribution – includes the locations and methods used to make the product available to customers
9. Price – the amount that customers pay for the product or service
10. Price competition – the rivalry among businesses based on price and value
11. Product – anything offered to the market by the business to satisfy customers needs, including services, ideas, events, and places
12. Product assortment – the complete set of all products a business offers to its customers
13. Product line – a group of similar products with slight variations in the product mix to satisfy different needs in the market
14. Promotion – the methods used and information communicated to encourage customers to purchase and to increase their satisfaction
15. Relationship marketing – focuses on developing loyal customers who continue to purchase from the business for a long period of time
16. Substitute selling – involves suggesting items other than the original request when the original request is not available
17. Suggestion selling – offering additional products and services after an initial sale in order to increase customer satisfaction
18. Viral marketing – a promotional approach that encourages people to pass along a marketing message by word-of-mouth
19. Visual merchandising – the coordination of all the physical elements that are used to project the right brand image to customers

## Unit 6: Ethical and Legal Considerations

1. Americans with Disabilities Act – prohibits private employers, state and local governments, employment agencies and labor unions from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions, and privileges of employment
2. Code of ethics – a set of standards or rules that guide ethical business behavior
3. Environmental Protection Agency (EPA) – created by the federal government in 1974 to control and reduce pollution in the areas of air, water, solid waste, pesticides, noise, and radiation
4. Equal Employment Opportunity Commission – is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information
5. Ethics – moral principles or values based on honesty and fairness
6. Green marketing – consists of marketing activities designed to satisfy customer needs without negatively impacting the environment
7. Occupational Safety and Health Administration (OSHA) – regulates safety and health conditions in most businesses
8. Recycling – reusing products and packaging whenever possible
9. Sanitarian – the person responsible for inspecting restaurants and food preparation areas to ensure the safety and good health of the public
10. Social responsibility – the concern a business has about the consequences of its actions on others
11. Sustainability – the attempt to meet the needs of the present without compromising the ability of future generations to meet their own needs

## Unit 7: Managing Human Resources

1. Accountability – the obligation to accept responsibility for the outcomes of assigned tasks
2. Authority – the right to make decisions about assigned work and to make assignments to others concerning the work
3. Discharge – the release of an employee from the company due to inappropriate work behavior
4. Employee empowerment – an approach to management that gives employees the authority to solve many customer problems
5. Employee turnover – The rate at which people enter and leave employment in a business during a year
6. Exit interview – a formal interview with an employee who is leaving the small business to determine his or her attitudes about the business and suggestions for improvement
7. Human resources management – all the activities involved in acquiring, developing, and compensating the people who do the work of the small business
8. Job description – a list of the basic tasks that make up a job
9. Layoff – a temporary or permanent reduction in the number of employees because of a change in business conditions
10. Organizational chart – a drawing that shows the structure of an organization, major job classifications, and the reporting relationships among the organization's personnel
11. Organizing – the management function of arranging people, activities, and resources to accomplish the goals of the small business
12. Promotion – the advancement of an employee within the small business to a position with more authority and responsibility
13. Responsibility – the obligation to do an assigned task
14. Span of control – is the number of employees that any one manager supervises directly
15. Transfer – the assignment of an employee to another job in the small business that involves the same level of responsibility and authority as the employee's current job
16. Unity of command – means that no employee reports to more than one supervisor at a time or for a particular task

## Unit 8: Financial Issues and Accounting Records

1. Accounts payable – the record of money owed and paid to other businesses/vendors or creditors
2. Accounts receivable – sales for which the small business has not yet been paid – this is money owed to the business
3. Assets – things owned by the business
4. Balance sheet – describes the type and amount of assets, liabilities, and capital in a business on a specific date
5. Capital expenses – these are long-term investments in land, buildings, and equipment
6. Debt capital – money that others loan to the small business for start-up costs
7. Equity capital – the small business owner's personal financial contribution to the business
8. Financial statement – a detailed summary of the specific financial performance for a business or a part of a business
9. Income statement – a report on the amount and source of revenue and the amount of and type of expenses for a specific period of time
10. Liabilities – the amounts the business owes
11. Operating expenses – the costs of day-to-day operations These include wages, utilities, insurance, supplies, and advertising
12. Revenue – the money received from the sale of products and services
13. Start-up budget – projects income and expenses from the beginning of a new business until it becomes profitable