

bankruptcy

when an individual has insufficient assets to pay his or her debts

business environment

all of the factors that 'surround' a business and have an impact on it

business life cycle

consists of four distinct stages - establishment, growth, maturity, post-maturity

capital gain

the 'profit' made when a person sells an asset for a price higher than the purchase price

capital-intensive

where there are relatively few workers in proportion to the machinery used in production

competitive advantage	an advantage over competitors gained by offering consumers greater value, either by means of lower prices, improved quality or by providing greater benefits and service
corporate social responsibility	a commitment by a business to operate ethically and contribute to economic development while improving the quality of life of our workforce and their families, as well as the community at large
corporatisation	where governments retain control over government businesses but put them on a corporate footing, performing in the same way as companies in the private sector
discretionary spending	spending from incomes after tax and essential spending has taken place
dividend	the share in the net profit of a company (after tax and other expenses) paid to a shareholder

effective operation

where a business will try to be effective by making sure that customer's needs are met and they are satisfied with the output

efficiency

where a business achieves the greatest possible return or output from an input by using the lowest amount of resources or assets

efficient operation

a business will try to produce its output by using the least amount of input possible

entrepreneur

a person who is willing to undertake financial risk in business by innovating and/or starting up new businesses or investing in existing businesses

environmental sustainability

meeting the needs of the present generation without compromising the ability of future generations to meet their needs

exchange rate	between the Australian dollar and another country's currency is the price of that currency in Australian dollars
external influences	have an indirect impact on a business, which has very little control over these influences
franchise business	a legal arrangement between a supplier (franchisor) of a well-known product and the franchisee; the franchisee will develop a business using the trade name; once in operation, the supplier must not only maintain a continuing interest but also provide assistance to the franchisee
goods	physical products which are tangible - they can be touched or seen, e.g. a car or mobile phone
gross domestic product (GDP)	the value of the total output of goods and services produced by businesses and governments during a year