# GAC012 Practical Business Decisions, Accounts and Research

GAC Business · Vocabulary in context

| Word | Example |
|---|---|
| **Stakeholders** /ˈsteɪkhəʊldəz/ | The shop asks its **stakeholders** about longer opening hours. |
| **Price elasticity of demand** /praɪs ɪlæˈstɪsɪti ɒv dɪˈmænd/ | **Price elasticity of demand** shows how much sales fall after a price rise. |
| **income statement** /ˈɪŋkʌm ˈsteɪtmənt/ | The **income statement** shows the year's profit. |
| **balance sheet** /ˈbæləns ʃiːt/ | The **balance sheet** shows what the business owns and owes. |
| **Gross profit** /grəʊs ˈprɒfɪt/ | **Gross profit** is sales revenue minus the cost of the goods sold. |
| **Operating profit** /ˈɒpəreɪtɪŋ ˈprɒfɪt/ | Higher rent reduces **operating profit**. |
| **asset** /ˈæset/ | A delivery van is an **asset**. |
| **liability** /ˌlaɪəˈbɪlɪti/ | A bank loan is a **liability**. |
| **Equity** /ˈekwɪti/ | **Equity** is assets minus liabilities. |
| **margin of safety** /ˈmɑːdʒɪn ɒv ˈseɪfti/ | The **margin of safety** is how far sales can fall before the firm makes a loss. |
| **Delegation** /ˌdelɪˈgeɪʃn/ | **Delegation** lets the team leader approve small purchases. |



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| **autocratic style** /ˌɔːtəˈkrætɪk staɪl/ | With an **autocratic style**, the manager decides alone. |
| **democratic style** /ˌdeməˈkrætɪk staɪl/ | A **democratic style** lets staff help choose the new timetable. |
| **two-factor theory** /tuː ˈfæktə ˈθɪəri/ | Herzberg's **two-factor theory** separates things that motivate from things that only stop unhappiness. |
| **Induction** /ɪnˈdʌkʃn/ | During **induction**, new staff learn how the shop works. |