Introduction to business management (1.1-1.6)

International Baccalaureate · IB Diploma · Business Management · SL · Vocabulary in context

Word	Example
change /tʃeɪndʒ/	New technology brings **change** to the factory.
creativity /kriːˌeɪˈtɪvɪti/	Designing a useful new product takes **creativity**.
ethics /ˈeθɪks/	**Ethics** is about what is right and wrong.
sustainability /səˌsteɪməˈbɪlɪti/	Planting new trees helps **sustainability**.
business /ˈbɪznəs/	The family runs a **business** selling handmade furniture.
human resources	A firm's **human resources** are the people who work there.
physical resources	Machines and buildings are **physical resources**.
financial resources	Savings and loans provide **financial resources**.
business functions	Marketing and finance are two **business functions**.
sectors /ˈsektəz/	Farming and manufacturing belong to different economic **sectors**.
primary sector /ˈpraɪməri ˈsektə/	Fishing belongs to the **primary sector**.
secondary sector /ˈsekəndəri ˈsektə/	Car manufacturing belongs to the **secondary sector**.

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tertiary sector /ˈtɜːʃjəri ˈsektə/	Banking belongs to the **tertiary sector**.
quaternary sector /kwəˈtɜːnəri ˈsektə/	Scientific research belongs to the **quaternary sector**.
sectoral change	The growth of services is a **sectoral change**.
entrepreneur /ˌɒntrɪprəˈnjʊə/	An **entrepreneur** takes a risk to start a new business.
intrapreneur /ˌɪntrəprəˈnjʊə/	An **intrapreneur** creates new ideas inside an existing company.
private sector /ˈpraɪvət ˈsektə/	A family bakery belongs to the **private sector**.
public sector /ˈpʌblɪk ˈsektə/	State schools belong to the **public sector**.
liability /ˌlaɪəˈbɪlɪti/	An owner's **liability** is how much of the debts they must pay.
unlimited liability /ʌnˈlɪmɪtɪd ˌlaɪəˈbɪlɪti/	With **unlimited liability**, an owner may lose their house to pay business debts.
limited liability /ˈlɪmɪtɪd ˌlaɪəˈbɪlɪti/	With **limited liability**, owners can only lose the money they put in.
sole trader /səʊl ˈtreɪdə/	A gardener who works alone is a **sole trader**.
partnership /ˈpɑːtnəʃɪp/	Two friends own the café as a **partnership**.
privately held company	A **privately held company** does not sell shares to the public.

Word	Example
publicly held company /ˈpʌblɪkli held ˈkʌmpəni/	Anyone can buy shares in a **publicly held company**.
social enterprise /ˈsəʊʃl ˈentəpraɪz/	A **social enterprise** makes money to help society.
surplus /ˈsɜːpləs/	A charity uses its **surplus** to improve its services.
for-profit social enterprise	A **for-profit social enterprise** makes money but also helps society.
cooperatives	**Cooperatives** are owned and run by their members.
non-profit social enterprise	A **non-profit social enterprise** spends all its profit on its social aim.
non-governmental organisations	**Non-governmental organisations**, such as the Red Cross, are not run by the government.
vision statement	A **vision statement** describes what the business hopes to become.
mission statement /ˈmɪʃn ˈsteɪtmənt/	The **mission statement** explains whom the business serves and why.
strategic objectives	Entering a new country is one of the firm's **strategic objectives**.
tactical objectives	Short-term sales targets are **tactical objectives**.
corporate social responsibility /ˈkɔːpərət ˈsəʊʃl rɪˌspɒnsəˈbɪlɪti/	Cutting pollution shows **corporate social responsibility**.
stakeholder /ˈsteɪkhəʊldə/	People living near the factory are a **stakeholder** group.

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Word	Example
internal stakeholders /ɪnˈtɜːnl ˈsteɪkhəʊldəz/	Employees and owners are **internal stakeholders**.
external stakeholders /ekˈstɜːnl ˈsteɪkhəʊldəz/	Customers and suppliers are **external stakeholders**.
pressure groups /ˈpreʃə gruːps/	**Pressure groups** may protest against a polluting factory.
stakeholder conflict	Higher prices may cause **stakeholder conflict** between owners and customers.
economies of scale /ɪˈkɒnəmiz ɒv skeɪl/	Large firms gain **economies of scale**, so each unit costs less.
internal economies of scale /ɪnˈtɜːnl ɪˈkɒnəmiz ɒv skeɪl/	A large firm's lower costs per unit come from **internal economies of scale**.
purchasing economies	Buying in bulk gives a big shop **purchasing economies**.
technical economies	Large, efficient machines give **technical economies**.
managerial economies	Hiring expert managers gives **managerial economies**.
financial economies	Big firms borrow more cheaply, which gives **financial economies**.
marketing economies	Sharing advertising costs over more sales gives **marketing economies**.
external economies of scale /ekˈstɜːnl ɪˈkɒnəmiz ɒv skeɪl/	Good local roads can give all firms in an area **external economies of scale**.

Word	Example
diseconomies of scale /ˌdɪsɪˈkɒnəmiz ɒv skeɪl/	A very large firm can face **diseconomies of scale**, such as slow decisions.
internal growth /ɪnˈtɜːnl grəʊθ/	Opening another company-owned shop is **internal growth**.
external growth /ekˈstɜːnl grəʊθ/	Buying another company is **external growth**.
merger /ˈmɜːdʒə/	A **merger** joins two businesses into one.
acquisition /əkwɪˈsɪʃn/	An **acquisition** happens when one company buys another.
takeover /ˈteɪkəʊvə/	A **takeover** puts another company under the buyer's control.
joint venture /dʒɔɪnt ˈventʃə/	Two firms form a **joint venture** to build a factory together.
strategic alliance	A **strategic alliance** lets firms cooperate while staying separate.
franchising /ˈfræntʃaɪzɪŋ/	With **franchising**, a person pays to run a shop under a famous brand name.
multinational company /ˌmʌltɪˈnæʃənl ˈkʌmpəni/	A **multinational company** operates in more than one country.
host country /həʊst ˈkʌntri/	The **host country** is the country where a foreign company sets up.

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