External influences on business activity

IGCSE Business Studies · Vocabulary in context

Word	Example
external influences /ekˈstɜːnl ˈɪnfluːənsɪz/	**External influences** like the weather are outside the firm's control.
business cycle /ˈbɪznəs ˈsaɪkl/	A **business cycle** includes expansions and contractions in economic activity.
growth /grəʊθ/	Opening another shop can support the firm's **growth**.
boom /buːm/	A **boom** is a period of strong economic activity.
recession /rɪˈseʃn/	A **recession** is a long fall in economic activity.
slump /slʌmp/	In a **slump**, output falls and many people lose their jobs.
unemployment /ʌnemˈplɔɪmənt/	**Unemployment** counts people who want a job but do not have one.
recovery /rɪˈkʌvəri/	A **recovery** brings rising activity after a downturn.
taxation /tækˈseɪʃn/	**Taxation** is how the government takes money from people and firms.
interest rates /ˈɪntrest reɪts/	Higher **interest rates** make loans more expensive.
inflation /ɪnˈfleɪʃn/	**Inflation** means prices in general are rising.
exchange rates /eksˈtʃeɪndʒ reɪts/	**Exchange rates** affect the price of imports.
fiscal policy /ˈfɪskl ˈpɒlɪsi/	Changing taxes and government spending is **fiscal policy**.

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monetary policy /ˈmʌnɪtəri ˈpɒlɪsi/	The central bank uses **monetary policy** when it changes interest rates.
external costs /ekˈstɜːnl kɒsts/	Pollution is one of the **external costs** of a factory.
pollution /pəˈluːʃn/	Smoke from factories causes **pollution**.
external benefits /ekˈstɜːnl ˈbenɪfɪts/	A new park brings **external benefits** to the area.
sustainable development /səˈsteɪnəbl dɪˈveləpmənt/	**Sustainable development** meets our needs without harming future generations.
environment /enˈvaɪrənmənt/	A fish lives in a water **environment**.
pressure group /ˈpreʃə gruːp/	A **pressure group** campaigned against the new airport.
ethical behaviour /ˈeθɪkl bɪˈheɪvjə/	**Ethical behaviour** means treating workers fairly.
conflict /ˈkɒnflɪkt/	There can be **conflict** between two aims, such as low inflation and low unemployment.
globalisation /ˌgləʊbəlaɪˈzeɪʃn/	**Globalisation** links countries through trade, money and ideas.
tariffs /ˈtærɪfs/	**Tariffs** make imported cars more expensive.
multinational company /ˌmʌltɪˈnæʃənl ˈkʌmpəni/	A **multinational company** operates in more than one country.
import /ɪmˈpɔːt/	China **import**s a lot of oil.

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Word	Example
export /ˈekspɔːt/	The farm sells half its fruit abroad as an **export**.

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