T1 evidence-based introduction to business and management	T1 facts	T1 assumptions
T1 conclusions	T1 organisation	T1 ownership forms
T1 limited liability	T1 governance	T1 agency problems

T1 Statements accepted as starting points for reasoning, analysis or a model.	T1 Statements or information that can be checked against evidence.	T1 The opening unit of this course: how businesses are organised and run, judged with evidence rather than opinion.
T1 The legal types of business ownership, such as sole trader, partnership and company.	T1 A group of people working together towards shared goals, with roles and a structure.	T1 The judgements an analysis reaches, which must follow from the evidence presented.
T1 Conflicts that arise when managers, who act for the owners, pursue their own interests instead.	T1 The rules and people that direct and control a company, such as its board and its reporting duties.	T1 A legal arrangement limiting owners' responsibility for business debts to their investment or another specified amount.

T1 external environment	T1 management	T1 structured decisions
T1 bias	T1 business model	T1 value
T1 value chain	T1 entrepreneurship	T1 opportunity

T1 Decisions made by following clear steps: define the problem, compare options against criteria, then choose.	T1 Planning, organising, directing and coordinating people and resources to achieve objectives.	T1 Everything outside a business that affects it, such as the economy, laws, technology and competitors.
T1 The benefit a customer gets from a product compared with what they pay for it.	T1 How a business creates value for customers and earns money from doing it.	T1 A systematic preference or prejudice that can distort judgement, decisions or the representation of information.
T1 A favourable situation outside the business that it could use to grow or improve.	T1 The ability and activity of organising resources, identifying opportunities and accepting risk to create or develop an enterprise.	T1 The chain of activities, from buying inputs to after-sales service, through which a business adds value.

T1 risk	T1 uncertainty	T1 case analysis
T1 nimbus bakery	T1 sole trader	T1 partnership
T1 company	T2 financial accounting	T2 accounting equation

T1 Studying a real or realistic business situation to identify its problems and recommend what to do.	T1 Lack of complete certainty about a quantity or conclusion, arising from variability, measurement limits or incomplete information.	T1 The possibility of an adverse outcome, often assessed using its likelihood and consequences.
T1 A business owned by two or more people who share the profits and, usually, unlimited liability.	T1 A business owned and run by one person, who keeps the profits and has unlimited liability.	T1 The course's fictional two-shop bakery case.
T2 Assets = Liabilities + Equity: holdings always equal claims.	T2 Turning transactions into statements that tie by construction.	T1 A business that is a legal person separate from its owners, whose liability is usually limited.

T2 asset	T2 liability	T2 equity
T2 income	T2 expense	T2 double effect
T2 double entry	T2 ledger	T2 debit

T2 The owners' residual interest in a business's assets after liabilities are deducted.	T2 A present obligation to transfer an economic resource.	T2 Resources owned or controlled by a person or organisation that are expected to provide value or future benefits.
T2 Every transaction moves two elements of the equation.	T2 Decreases in economic benefit that shrink equity.	T2 Money received by a person or organisation over a period.
T2 The left side of an account.	T2 The book of T-accounts holding every posted entry.	T2 Posting equal debits and credits for every transaction.

T2 credit	T2 trial balance	T2 accrual basis
T2 prepayment	T2 accrual	T2 depreciation
T2 matching principle	T2 income statement	T2 statement of financial position

T2 Recognising revenue and expense when work happens, not cash.	T2 The column totals of every ledger account; equality is a theorem.	T2 The right side of an account.
T2 A reduction in the value of an asset over time, often modelled as a percentage decrease.	T2 Expense incurred before the cash is paid; a liability.	T2 Cash paid before the expense; the unused part is an asset.
T2 A financial statement showing an organisation's assets, liabilities and equity at a particular date.	T2 A financial statement reporting income, expenses and profit or loss over a period.	T2 Expenses belong to the period of the revenue they earn.

T2 cash flow statement	T2 operating activities	T2 investing activities
T2 financing activities	T2 gross margin	T2 current ratio
T2 gearing	T2 return on equity	T3 microeconomics

T2 Cash from buying and selling long-lived assets.	T2 Cash from running the business itself.	T2 Cash movements classified as operating, investing and financing.
T2 Current assets divided by current liabilities, used as an indicator of short-term liquidity.	T2 Gross profit as a share of revenue.	T2 Cash from raising and repaying shares and loans.
T3 the study of individual choices - consumers, firms, markets	T2 Profit as a return on the funders' stake.	T2 Debt as a share of capital employed.

T3 production possibilities frontier	T3 scarcity	T3 opportunity cost
T3 ceteris paribus	T3 demand	T3 quantity demanded
T3 supply	T3 quantity supplied	T3 equilibrium

T3 The value of the best alternative forgone when a choice is made.	T3 The condition in which available resources are insufficient to satisfy all competing wants.	T3 the curve showing the most an economy can produce of two goods with its resources
T3 The amount buyers are willing and able to purchase at a particular price over a specified period.	T3 The quantity of a good or service that buyers are willing and able to purchase at different prices over a period.	T3 Holding every other factor unchanged while one factor is studied.
T3 A state in which opposing influences balance so there is no tendency for the relevant quantities to change.	T3 The amount sellers are willing and able to offer at a particular price over a specified period.	T3 The quantity sellers are willing and able to offer at different prices over a specified period.

T3 comparative statics	T3 price elasticity of demand	T3 income elasticity
T3 cross elasticity	T3 marginal product	T3 diminishing returns
T3 fixed cost	T3 variable cost	T3 marginal cost

T3 The percentage change in quantity demanded divided by the percentage change in income, other factors unchanged.	T3 The percentage change in quantity demanded divided by the percentage change in price.	T3 comparing equilibrium before and after one change, holding everything else
T3 each extra unit of input adding less output than the one before	T3 The additional output from one more unit of an input while other inputs are held constant.	T3 the responsiveness of demand for one good to the price of another
T3 The additional total cost of producing one more unit of output.	T3 a cost that changes in total with volume	T3 A cost that does not change with output within a specified period and relevant range of activity.

T3 average total cost	T3 economies of scale	T3 perfect competition
T3 monopoly	T3 monopolistic competition	T3 oligopoly
T3 deadweight loss	T3 externality	T3 marginal social cost

T3 A market with many firms, an identical product, and free entry.	T3 Falls in average production cost as the scale of output increases.	T3 Total cost divided by the quantity of output produced.
T3 A market dominated by a small number of interdependent large firms.	T3 A market structure with many firms offering differentiated products and relatively easy entry and exit.	T3 A market structure in which a single seller supplies a good or service with no close substitutes.
T3 the full cost of one more unit, private cost plus the cost imposed on others	T3 A cost or benefit of an activity affecting third parties that is not fully reflected in the decision-maker's private costs or benefits.	T3 The loss of total economic surplus when a market produces an inefficient quantity.

T3 tax wedge	T3 incidence	T4 macroeconomics
T4 circular flow	T4 gross domestic product	T4 value added
T4 nominal	T4 real	T4 GDP deflator

T4 the study of the economy as a whole - output, inflation, employment, growth	T3 who really bears a tax, whatever law says about who pays it	T3 the gap between what labour costs the employer and the worker receives
T4 output value minus the cost of bought-in inputs	T4 The value of final goods and services produced within an economy's territory over a specified period.	T4 the diagram of income moving between households and firms through markets
T4 the ratio of nominal GDP to real GDP, turning current prices into constant prices	T4 Adjusted so that rising prices do not inflate the figure.	T4 Measured using current monetary values without adjusting for changes in the price level.

T4 total factor productivity	T4 capital	T4 rule of 70
T4 consumer price index	T4 inflation	T4 Fisher equation
T4 unemployment rate	T4 Phillips curve	T4 reserve ratio

T4 doubling time is roughly 70 divided by the growth rate in per cent	T4 Produced assets used to make other goods and services.	T4 output per combined unit of all inputs, not just labour
T4 The relationship linking nominal interest, real interest and inflation; approximately, the nominal rate equals the real rate plus expected inflation for an ex-ante calculation.	T4 A sustained increase in the general price level of goods and services.	T4 An index tracking changes in the cost of a representative basket of goods and services purchased by consumers.
T4 the share of deposits a bank must hold rather than lend	T4 A relationship between inflation and unemployment, often represented as an inverse association in the short run.	T4 The percentage of the labour force that is unemployed under the measure being used.

T4 money multiplier	T4 marginal propensity to consume	T4 multiplier
T4 crowding out	T4 balance of payments	T4 current account
T4 exchange rate	T4 purchasing power parity	T4 labour

T4 A number by which another quantity is multiplied.	T4 The proportion of an additional unit of disposable income that is spent on consumption.	T4 In a stylised reserve-constrained banking model, the maximum deposit expansion per extra unit of reserves, equal to one divided by the reserve ratio under its simplifying assumptions.
T4 The part of the balance of payments recording trade in goods and services, primary income and secondary income.	T4 the record of all transactions between a country and the rest of the world	T4 A reduction in private spending or investment caused by increased government activity, often through higher interest rates.
T4 Human physical and mental effort used in production.	T4 A comparison of currencies based on the amounts needed to buy a comparable basket of goods and services.	T4 The price of one currency expressed in units of another currency.

T4 spending multiplier	T4 uncovered interest parity	T5 business statistics
T5 sample	T5 population	T5 simple random sample
T5 bias	T5 data dictionary	T5 mean

T5 collecting, summarising and interpreting data to answer business questions	T4 the exchange rate is expected to move by the interest-rate gap between two currencies	T4 The change in equilibrium aggregate output per unit change in autonomous spending; in the simplest closed-economy model it is one divided by one minus the marginal propensity to consume.
T5 a sample where every member of the population has an equal chance	T5 The entire set of individuals, items or outcomes about which a statistical study seeks information.	T5 A subset of a population selected for observation, measurement or analysis.
T5 The sum of a set of values divided by the number of values.	T5 the document defining every field, unit and allowed value in a dataset	T5 A systematic tendency for a measurement, estimate or selection process to differ from the true or representative value.

T5 median	T5 standard deviation	T5 confidence interval
T5 binomial distribution	T5 normal distribution	T5 central limit theorem
T5 standard error	T5 null hypothesis	T5 p-value

T5 An interval calculated from sample data using a method with a stated long-run probability of containing the population parameter.	T5 A measure of spread equal to the square root of the variance.	T5 The middle value when data are arranged in order, or the mean of the two middle values for an even number of observations.
T5 sample means approach a normal distribution as samples grow, whatever the population shape	T5 A continuous, symmetric bell-shaped probability distribution specified by its mean and standard deviation.	T5 A probability model for the number of successes in a fixed number of independent trials with the same success probability.
T5 the probability of data at least this extreme if the null hypothesis were true	T5 The default claim about a population parameter that a statistical test assesses against an alternative.	T5 The standard deviation of a statistic's sampling distribution, often estimated from a sample.

T5 correlation	T5 least squares	T5 residual
T5 hypothesis test	T5 stratified	T6 managerial accounting
T6 fixed cost	T6 variable cost	T6 relevant range

T5 An observed value minus the value predicted by a model.	T5 fitting a line by minimising the squared vertical distances from the points	T5 a number between minus one and one measuring how two variables move together
T6 accounting prepared for decisions inside the firm, not for outsiders	T5 Describing sampling that divides a population into groups and samples within each group.	T5 A statistical procedure using sample evidence to assess a specified claim about a population or model.
T6 the band of volume over which cost behaviour assumptions hold	T6 a cost that changes in total with volume	T6 A cost that does not change with output within a specified period and relevant range of activity.

T6 contribution margin	T6 break-even point	T6 margin of safety
T6 operating leverage	T6 overhead	T6 job costing
T6 process costing	T6 budget	T6 flexible budget

T6 The amount by which actual or forecast sales exceed break-even sales.	T6 the output where total revenue equals total cost - no profit, no loss	T6 price minus variable cost - what each unit adds towards fixed costs and profit
T6 collecting costs against a single identifiable unit or order	T6 indirect production cost that cannot be traced to one unit	T6 the sensitivity of profit to volume that fixed costs create
T6 a budget whose allowances move with the actual volume achieved	T6 A financial plan setting out expected income, expenditure or resource use over a period.	T6 averaging costs over a continuous flow of identical units

T6 variance	T6 favourable variance	T6 relevant cost
T6 sunk cost	T7 marketing	T7 response rate
T7 sampling error	T7 market segmentation	T7 positioning

T6 a future cost that differs between the alternatives being compared	T6 A difference from the budget that improves profit.	T6 In budgeting, the difference between a planned or expected financial value and the actual result.
T7 the share of a sample who actually answer a survey	T7 creating, communicating and delivering value, and managing customer relationships	T6 A cost already incurred that cannot be recovered.
T7 Controlling a box's placement using CSS position rules, such as relative, absolute, fixed or sticky positioning.	T7 Splitting buyers into groups that share similar wants.	T7 the difference between a sample statistic and the population value from chance

T7 value proposition	T7 three product levels	T7 value-based pricing
T7 penetration pricing	T7 channel	T7 channel margin
T7 conversion rate	T7 customer acquisition cost	T7 lifetime value

T7 setting price from the value the customer receives, not from cost	T7 core benefit, actual product, augmented product	T7 A statement of the benefits a product or service offers to its intended customers and why they might choose it.
T7 the share of the final price each step of the route keeps	T7 the route a product takes from producer to customer	T7 launching at a low price to win share quickly
T7 the total profit a customer relationship is expected to generate	T7 the marketing and sales spend needed to win one customer	T7 the share of visitors or leads who complete the desired action

T7 attribution	T7 informed consent	T7 dark patterns
T7 value	T7 cost-plus	T8 attribution theory
T8 fundamental attribution error	T8 motivation	T8 expectancy theory

T7 interface designs that trick users into choices they did not intend	T7 Voluntary agreement to participate after receiving and understanding information about what participation involves and its relevant risks.	T7 Assigning credit for a sale to the marketing touchpoints that led to it.
T8 the study of how people explain causes as internal or external, stable or changing	T7 setting price by adding a markup to cost	T7 The benefit a customer gets from a product compared with what they pay for it.
T8 The idea that effort depends on whether people expect it to lead to a valued reward.	T8 The reasons or influences that encourage a person to act or make an effort.	T8 The tendency to overemphasise personal characteristics and underestimate situational influences when explaining others' behaviour.

T8 goal-setting theory	T8 psychological safety	T8 social loafing
T8 transformational leadership	T8 organisational culture	T8 predictor validity
T8 structured interview	T8 performance appraisal	T8 force-field analysis

T8 people putting in less effort when their contribution is not identifiable	T8 the shared belief that the team is safe for candour and mistakes	T8 specific, hard-but-accepted goals drive performance better than vague ones
T8 how well a selection measure predicts later job performance	T8 The shared values, beliefs and habits that shape how people in an organisation behave.	T8 leadership that raises followers' goals through vision and personal example
T8 listing the forces for and against a change and their strengths	T8 the periodic, documented assessment of an employee's work	T8 every candidate asked the same scored questions in the same order

T8 adverse impact	T8 bias audit	T8 Herzberg's two-factor theory
T8 Lewin's three-stage change	T8 organisational behaviour and HRM	T9 corporate finance
T9 compounding	T9 discounting	T9 annuity

T8 pay and conditions stop dissatisfaction, while recognition and growth create motivation	T8 a documented test of whether a decision system treats groups differently	T8 a selection method that screens out a protected group at a higher rate
T9 the discipline of deciding which projects to fund and what the money costs	T8 how people behave at work and how the firm selects, develops and rewards them	T8 unfreeze, move, refreeze - change is prepared, made, then locked in
T9 In financial mathematics, a series of equal payments made at regular time intervals.	T9 Reducing future money to its value today because of the time value of money.	T9 earning returns on earlier returns as money moves forward in time

T9 perpetuity	T9 incremental cash flow	T9 sunk cost
T9 net present value	T9 internal rate of return	T9 hurdle rate
T9 expected return	T9 volatility	T9 diversification

T9 A cost already incurred that cannot be recovered.	T9 the cash that changes because of the project - because-of, after tax, in cash	T9 equal payments continuing for ever, worth the payment divided by the rate
T9 the minimum return a project must clear, set by the cost of capital	T9 the discount rate at which a project's net present value is zero	T9 The value today of future cash flows after subtracting the initial cost.
T9 Expanding into different products, markets or activities to spread risk or seek growth.	T9 the standard deviation of returns - the spread around the mean	T9 the probability-weighted average of possible returns

T9 weighted average cost of capital	T9 tax shield	T9 cash conversion cycle
T9 opportunity cost	T9 risk premium	T9 systematic risk
T9 specific risk	T10 operations management	T10 bottleneck

T9 the days the firm's own cash is tied up: inventory days plus receivable days minus payable days	T9 the reduction in tax that a deductible expense, such as interest, buys	T9 the blended required return on debt and equity at market-value weights
T9 market-wide risk that diversification cannot remove	T9 the extra return demanded for carrying risk, over the risk-free rate	T9 The value of the best alternative forgone when a choice is made.
T10 the slowest part of a process, which sets the capacity of the whole line	T10 Managing how a business turns inputs into goods or services efficiently.	T9 risk tied to one firm or asset that diversification can remove

T10 cycle time	T10 throughput	T10 capacity utilisation
T10 Little's law	T10 work in progress	T10 statistical process control
T10 control chart	T10 Pareto analysis	T10 economic order quantity

T10 Current output as a percentage of the maximum output a firm could make.	T10 the rate at which a process actually produces output	T10 the time between successive outputs - the inverse of bottleneck capacity
T10 steering a process with sample statistics and control limits instead of inspecting every item	T10 units inside a process that are started but not finished	T10 the identity that work in progress equals throughput times flow time
T10 the order size that minimises the sum of ordering and holding costs	T10 ranking causes by count so that the vital few are fixed first	T10 a time plot of a sample statistic with a centre line and three-sigma limits

T10 reorder point	T10 safety stock	T10 moving average
T10 exponential smoothing	T10 mean absolute deviation	T10 lead time
T10 risk pooling	T10 square-root law	T10 postponement

T10 An average calculated over a fixed-size window that moves through a sequence of observations, helping smooth short-term variation.	T10 buffer stock held above expected lead-time demand to reach a service level	T10 the stock level that triggers an order - lead-time demand plus safety stock
T10 the time from placing an order to receiving it	T10 the average size of forecast errors, ignoring sign	T10 a forecast that adds a fraction of the last error to the last forecast
T10 holding product in generic form and differentiating it after demand is seen	T10 independent variances add, so pooled variability grows with the square root of n	T10 holding stock centrally so that independent demand variations partly cancel

T10 critical path	T10 total float	T10 crashing
T10 earned value analysis	T10 carbon footprint	T10 system boundary
T11 business law and ethics	T11 civil liability	T11 criminal liability

T10 shortening critical activities by spending money on them	T10 how long an activity can slip without delaying the whole project	T10 The longest chain of linked tasks in a project; a delay on it delays the whole project.
T10 The chosen limit of what is counted in a life-cycle or carbon-footprint estimate.	T10 The total greenhouse-gas emissions, measured as carbon dioxide equivalents, caused by an activity or product.	T10 tracking a project with planned, actual and earned value and the ratios between them
T11 the state's claim that a rule of public law was broken	T11 a claimant's claim to be made whole for a private wrong	T11 the rules the game is played under, and the ones it should be played under

T11 standard of proof	T11 jurisdiction	T11 precedent
T11 offer	T11 acceptance	T11 consideration
T11 breach of contract	T11 expectation damages	T11 liquidated damages

T11 like cases decided alike, higher courts binding lower ones	T11 the power of a court to hear a matter, and the territory whose law applies	T11 how convinced the court must be: balance of probabilities or beyond reasonable doubt
T11 something of value moving each way - existence counts, adequacy does not	T11 unqualified assent to an offer, communicated	T11 an intention to be bound on specified terms
T11 a clause fixing a genuine pre-estimate of loss	T11 the sum that puts the innocent party where performance would have	T11 failure to perform a contractual obligation

T11 penalty clause	T11 limited liability	T11 director duties
T11 agency	T11 apparent authority	T11 employee
T11 contractor	T11 unfair dismissal	T11 statutory redundancy pay

T11 the Companies Act 2006 duties, including s.172 success and s.174 care	T11 A legal arrangement limiting owners' responsibility for business debts to their investment or another specified amount.	T11 a clause that deters rather than compensates - unenforceable
T11 a worker with the full set of statutory rights	T11 authority the principal's holding-out appears to give	T11 one party binding another by acting with authority
T11 the capped, age-banded compensation for redundancy	T11 dismissal without a fair reason or a fair process, after two years' service	T11 a genuinely self-employed person with contract rights only

T11 trade mark	T11 copyright	T11 patent
T11 trade secret	T11 data controller	T11 consequentialism
T11 deontology	T11 virtue ethics	T11 stakeholder

T11 a 20-year monopoly in exchange for full disclosure	T11 the automatic right in original works, life plus 70 years	T11 a registered sign distinguishing goods, 10 years renewable
T11 judging a decision by its outcomes	T11 the entity that decides how and why personal data is processed	T11 information protected by conduct as long as it stays secret
T11 anyone a decision affects, named rather than averaged	T11 judging the character a decision builds	T11 judging a decision by duties and rights, whatever the outcome

T11 corporate governance	T12 strategic management	T12 five forces
T12 VRIO	T12 value chain	T12 cost leadership
T12 differentiation	T12 stuck in the middle	T12 activity system

T12 the industry-structure lens: rivalry, entrants, substitutes, supplier power, buyer power	T12 choosing what the business will be, testing the choice, and turning it into Monday morning	T11 the system by which companies are directed and controlled
T12 winning on the cost curve	T12 The chain of activities, from buying inputs to after-sales service, through which a business adds value.	T12 the resource test: valuable, rare, hard to imitate, organised for capture
T12 the map of reinforcing activities that delivers the position	T12 neither cost leader nor differentiator - the profitless position	T12 winning on willingness to pay

T12 dominant strategy	T12 Ansoff matrix	T12 CAGE distance
T12 synergy	T12 balanced scorecard	T12 execution gap
T12 expected value	T12 EVPI	T12 real option

T12 cultural, administrative, geographic and economic distance between markets	T12 the growth grid: penetration, market, product, diversification - risk rising with each step out	T12 a move that is best whatever the rival does
T12 the resources the strategy needs minus the resources the organisation has	T12 financial, customer, process and learning measures chained by cause	T12 value that exists only if two plus two beats five after the premium is paid
T12 paying to keep a decision open - the pilot is a call on expansion	T12 the ceiling value of information: what perfect foresight would add	T12 the probability-weighted payoff across the scenarios

T12	T12	T12
scenario	trigger	case analysis

T12 Studying a real or realistic business situation to identify its problems and recommend what to do.	T12 the pre-committed number that forces the review	T12 a coherent future, not a forecast