

JC Business Studies – Key Definitions



Regular Income

studyclix.ie
makes exams easier

Income received after a fixed amount of time, e.g. Every week or month

Additional income

studyclix.ie
makes exams easier

Income received occasionally and irregularly, e.g. overtime

Benefit in kind

studyclix.ie
makes exams easier

This is a non-financial reward in place of money an employee may receive, e.g. A company credit card.

Statutory deductions

studyclix.ie
makes exams easier

Deductions that an employer must take by law, they are PAYE, PRSI and USC

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Non-statutory deductions

studyclix.ie
makes exams easier

Deductions that are taken on an employees' request, e.g. Health insurance

Fixed Expenditure

studyclix.ie
makes exams easier

A fixed amount that has to be paid on a fixed date

Irregular Expenditure

studyclix.ie
makes exams easier

A varying amount for which the payment date may also vary

Discretionary expenditure

studyclix.ie
makes exams easier

Money spent on unnecessary items if there is a cash surplus

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Budget

studyclix.ie
makes exams easier

A financial plan that predicts future income, expenditure and savings, based on estimates

Current expenditure

studyclix.ie
makes exams easier

Spending on items that are needed for the household on a daily basis, e.g. food

Capital expenditure

studyclix.ie
makes exams easier

Spending on items needed for the household in the long term, e.g. a car

Accruals

studyclix.ie
makes exams easier

Services that we do not pay for when using, but afterwards, e.g. electricity bill

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Planning Savings

studyclix.ie
makes exams easier

Putting money aside for future expenditure

Consumer

studyclix.ie
makes exams easier

A person who buys and uses goods and services

Receipt

studyclix.ie
makes exams easier

Written proof that a certain payment was made

Goods must be...

studyclix.ie
makes exams easier

- Of merchantable quality
- Fit for purpose
- As described

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Suppliers of services should...

studyclix.ie
makes exams easier

- Have the necessary skill
- Act with proper care and diligence
- Ensure materials are of merchantable quality

Forms of remedy for a bad sale

studyclix.ie
makes exams easier

- Refund
- Repair
- Replacement

Genuine Complaint

studyclix.ie
makes exams easier

If goods are not of merchantable quality, fit for purpose or as described, then the consumer is entitled to a remedy

Non-valid complaint

studyclix.ie
makes exams easier

If you have changed your mind, misused the product or you were told of a fault, no remedy is legally required

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Credit Note

studyclix.ie
makes exams easier

This is an alternative for a cash refund, which allows a different purchase at a store for the same amount

DIRT

studyclix.ie
makes exams easier

Is Deposit Interest Retention Tax and is a tax on interest earned

USC

studyclix.ie
makes exams easier

Is Universal Social Charge and is a statutory deduction

PAYE

studyclix.ie
makes exams easier

Is Pay As You Earn and is a progressive form of income taxation for employees

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



PRSI

studyclix.ie
makes exams easier

Is Pay Related Social Charge and is a contribution towards social welfare benefits such as jobseeker's benefit

Standing order

studyclix.ie
makes exams easier

An instruction to a bank to pay a fixed amount regularly to a certain firm, e.g. rent

Direct debit

studyclix.ie
makes exams easier

Permission given to a creditor withdraw fixed or variable amounts from the account at any time, e.g. a bill

Pay path

studyclix.ie
makes exams easier

Method for transferring wages from employers to their employees

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Cheque

studyclix.ie
makes exams easier

A written instruction from the holder of a current account to their bank to pay a sum of money to the person named on the cheque

Term loan

studyclix.ie
makes exams easier

A loan given for a stated reason, for a certain period of time

Bank Overdraft

studyclix.ie
makes exams easier

The bank gives permission to a current account holder to have a deficit up to a certain amount in their account

Mortgage

studyclix.ie
makes exams easier

A loan given to someone purchasing a house

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Bridging loan

studyclix.ie
makes exams easier

Finance given to people with an approved mortgage that are awaiting receipt of a building society loan

Insurance

studyclix.ie
makes exams easier

Protection against a possible financial loss, e.g. a car being stolen

Insurable interest

studyclix.ie
makes exams easier

To insure something, one must benefit financially from its existence and suffer from its loss

Utmost good faith

studyclix.ie
makes exams easier

When filling out an insurance form, one is obliged to disclose all material facts and answer all questions truthfully

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Indemnity

studyclix.ie
makes exams easier

One cannot make a profit from insurance and one's financial position must never be better after a loss than before it

Subrogation

studyclix.ie
makes exams easier

Once the insured has been compensated for a loss, the insurance company may sue whoever caused it and possess any damaged items

Contribution

studyclix.ie
makes exams easier

If something is insured by more than one insurer, then the compensation after a loss is paid proportionally by each insurer

Actuary

studyclix.ie
makes exams easier

Assesses the risk and calculates the premium

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Premium

studyclix.ie
makes exams easier

Annual cost of the insurance
paid by the insured

Policy

studyclix.ie
makes exams easier

Written evidence of the
contract of insurance

Cover Note

studyclix.ie
makes exams easier

Temporary proof that
insurance exists

**Certificate of
Insurance**

studyclix.ie
makes exams easier

Proof that insurance exists

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Days of Grace

studyclix.ie
makes exams easier

Extra days given to the insured to renew their premium

Surrender value

studyclix.ie
makes exams easier

A sum paid to a policy holder who has stopped paying their insurance premiums for a certain amount of time

Economics

studyclix.ie
makes exams easier

Economics is the study of how resources are used to produce the goods and services that people need and want

Land

studyclix.ie
makes exams easier

Things taken from nature to produce goods, e.g. a coal mine

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Labour

studyclix.ie
makes exams easier

The people employed to produce a good or provide a service

Capital

studyclix.ie
makes exams easier

Things created by humans which help production, e.g. a road

Enterprise

studyclix.ie
makes exams easier

A person with an idea willing to take a risk to set up a profitable business or seeing an opportunity to make profit and investing in it

Recession

studyclix.ie
makes exams easier

A general slowdown in economic activity over a period of time

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Inflation

studyclix.ie
makes exams easier

An increase in the level of prices from one period of time to another

Interest rates

studyclix.ie
makes exams easier

The price borrowers pay for the use of money of a lender

National budget

studyclix.ie
makes exams easier

A plan for a governments expected future income and expenditure over a period of time

National debt

studyclix.ie
makes exams easier

The total amount of money that has been borrowed by the government

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Foreign trade

studyclix.ie
makes exams easier

Is Ireland buying or selling goods and services from or to other countries

Visible imports and exports

studyclix.ie
makes exams easier

Physical goods that Ireland buys or sells from or to other countries, e.g. Coffee

Invisible imports and exports

studyclix.ie
makes exams easier

Services that Ireland buys or sells from or to other countries, e.g. Flights

Balance of trade

studyclix.ie
makes exams easier

Visible exports –
Visible imports

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Balance of payments

studyclix.ie
makes exams easier

Total exports –
Total imports

Privatisation

studyclix.ie
makes exams easier

State assets are sold
to the public

Dividends

studyclix.ie
makes exams easier

The portion of the profit that
shareholders receive
depending on their investment

Fixed costs

studyclix.ie
makes exams easier

Must be paid
regardless of the level
of production

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Variable Costs

studyclix.ie
makes exams easier

Increase as production level increases

Communication

studyclix.ie
makes exams easier

The exchanging of information

The internet

studyclix.ie
makes exams easier

A global network of computers allowing the transfer of data and communication between users

Primary production

studyclix.ie
makes exams easier

The extracting of materials from the land for use or further processing

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Secondary production

studyclix.ie
makes exams easier

Converting raw materials into finished products

Tertiary production

studyclix.ie
makes exams easier

The service industry that serve consumers or other businesses

Public sector

studyclix.ie
makes exams easier

Government owned organisations

Private sector

studyclix.ie
makes exams easier

Organisations not owned by the government

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Channel of distribution

studyclix.ie
makes exams easier

How the goods get from the manufacturer to the consumer

Wholesaler

studyclix.ie
makes exams easier

Buys in bulk from manufacturer and sells to retailers

Retailer

studyclix.ie
makes exams easier

Buys goods from a wholesaler to sell to the consumer

Employment

studyclix.ie
makes exams easier

Working for payment

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Emigration

studyclix.ie
makes exams easier

Leaving the country
looking for employment

Trade union

studyclix.ie
makes exams easier

An organisation that speaks on
behalf of workers on issues
such as pay and working
conditions

Shop steward

studyclix.ie
makes exams easier

A local union representative
who negotiates with union
management, organises
meetings and recruits new
union members

Market

studyclix.ie
makes exams easier

A place where goods
are bought and sold

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Target market

studyclix.ie
makes exams easier

Total number of potential customers for a certain product or service

Marketing

studyclix.ie
makes exams easier

Any actions which facilitate the product or service getting to the consumer

Market research

studyclix.ie
makes exams easier

Involves the consideration of information collected for the purpose of assessing the viability of a product or service in a target market

Desk (secondary) research

studyclix.ie
makes exams easier

Involves analysing existing information about the target market, e.g. stats from the CSO

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



**Product
development**

studyclix.ie
makes exams easier

Developing new
products or improving
existing products

Advertising

studyclix.ie
makes exams easier

Informing consumers
about products and
services

Sales promotion

studyclix.ie
makes exams easier

Things done to achieve a
short-term increase in sales,
e.g. discounts

Merchandising

studyclix.ie
makes exams easier

Arranging products in a
display for them to have
a maximum impact on
consumers

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Public relations

studyclix.ie
makes exams easier

Maintaining a good public image for the company

Stock control

studyclix.ie
makes exams easier

Keeping stock as close to optimum levels as possible

Filing

studyclix.ie
makes exams easier

Storing of documents so that they can be found quickly when needed

Letter of enquiry

studyclix.ie
makes exams easier

Sent to a supplier for information about the terms which he would agree to do business on

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Quotation

studyclix.ie
makes exams easier

Document giving advance information on the details of the costs of a sale

Delivery note

studyclix.ie
makes exams easier

Proof of delivery

Statement of account

studyclix.ie
makes exams easier

A document sent to the buyer from the seller outlining the transactions and total amount owed over a certain period of time

Bookkeeping

studyclix.ie
makes exams easier

Recording business transactions systematically to keep a permanent financial record

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Account

studyclix.ie
makes exams easier

A space in a ledger kept for a particular purpose, e.g. purchases account

Trial balance

studyclix.ie
makes exams easier

A list of all the balances of each account at the end of a period

Cash book

studyclix.ie
makes exams easier

Used to record money a business receives and pays out

Overheads

studyclix.ie
makes exams easier

Expenses incurred in the running of the business

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Petty cash book

studyclix.ie
makes exams easier

Used to record small and insignificant cash payments, e.g. stationary

General journal

studyclix.ie
makes exams easier

Used to record transactions that can't be recorded in other books of first entry

Share capital

studyclix.ie
makes exams easier

Assets - Liabilities

Control account

studyclix.ie
makes exams easier

Is prepared by totalling other individual accounts, e.g. debtors

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Trading account

studyclix.ie
makes exams easier

Used to find the profit or loss made during a certain period of doing business

Gross profit/loss

studyclix.ie
makes exams easier

The difference between sales and cost of sales

Trading stock

studyclix.ie
makes exams easier

Stock of goods to sell to customers rather than to use internally for the business

Stocktaking

studyclix.ie
makes exams easier

Finding the value of trading stock at any given time

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Gains

studyclix.ie
makes exams easier

Income made not from trading, e.g. interest

Balance Sheet

studyclix.ie
makes exams easier

Statement of assets, liabilities and share capital of a business at a given time

Working capital

studyclix.ie
makes exams easier

Money available for the daily running of the business

Accruals

studyclix.ie
makes exams easier

All expenses incurred during a certain period must be included in the accounts for that period regardless of when they are paid

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Depreciation

studyclix.ie
makes exams easier

The reduction in the value of an asset due wear and tear and the passage of time

Profitability

studyclix.ie
makes exams easier

Shows how successful the business was in making a profit

Liquidity

studyclix.ie
makes exams easier

Working capital = Current assets
– Current liabilities

Overtrading

studyclix.ie
makes exams easier

When a company has a negative working capital

Cut dotted horizontal lines. Fold vertical line.



JC Business Studies – Key Definitions



Solvency

studyclix.ie
makes exams easier

The ability of a company to pay all debts as they fall due

Information Technology (IT)

studyclix.ie
makes exams easier

The processing of data using computers

Computer

studyclix.ie
makes exams easier

A device capable of solving problems by processing data inputs to give a useful output

Operating system

studyclix.ie
makes exams easier

The low-level software that supports a computer's basic functions

Cut dotted horizontal lines. Fold vertical line.

