4.02 Key Terms

Purchasing	The buying of goods and services for a business.
Purchasing Order	The form that a business fills out to order goods; may be the same as a purchase agreement or purchase contract.
Purchasing Process	A series of sequential steps taken by purchasing specialists to buy goods and services for a business.
Reorder	The reorder point (or reorder level) is the inventory level at which a company would place a new order or start a new manufacturing run.
Cash Flow	the total amount of money being transferred into and out of a business, especially as affecting liquidity.
Inventory	a complete list of items such as property, goods in stock, or the contents of a building.
Usage	the action of using something or the fact of being used.
Lead Time	the time between the initiation and completion of a production process.
Supply Chain	the sequence of processes involved in the production and distribution of a commodity.
Incentives	a payment or concession to stimulate greater output or investment.