

### **5.03 Key Terms**

<b>Key Term</b>	<b>Definition</b>
<b>Accounting</b>	The process of gathering, recording, organizing, and reporting financial data.
<b>Authority</b>	Power to influence or control the opinions or behavior of others.
<b>Builders</b>	A type of producer that constructs roads, bridges, buildings, or houses.
<b>Business</b>	An organized effort to produce and/or distribute goods and services.
<b>Business ethics</b>	The basic principles that govern a business's actions.
<b>Competitive aggression</b>	A negotiating style in which one or both parties view the negotiation as a game-like challenge or a rivalry; one or both parties consider only their interests to achieve a desired outcome.
<b>Consumer demands</b>	Manner in which individuals act that determines what they buy and sell.
<b>Customer Relations</b>	All the activities a business engages in to interact with its customers.
<b>Ethics</b>	The basic principles that govern your behavior.
<b>Finance</b>	The process of obtaining funds and using them to achieve the goals of the business.
<b>Globalization</b>	The rapid and unimpeded flow of capital, labor, and ideas across national borders.
<b>Human Resources Management</b>	The process of planning, staffing, leading, and organizing the employees of the business.
<b>Information Management</b>	The process of accessing, processing, maintaining, evaluating, and disseminating knowledge, facts, or data for the purpose of assisting business decision making.
<b>Innovative management</b>	A style of management that is more participative and facilitative than traditional, controlling management.
<b>Line authority</b>	Formal, direct authority that affects a business's day-to-day operations.
<b>Line of command</b>	The flow of authority within an organization; also called line of command.
<b>Management</b>	The process of coordinating resources in order to accomplish an organization's goals.
<b>Manufacturers</b>	A type of producer that changes the shapes or forms of materials so that they will be useful to customers.
<b>Market orientation</b>	A strong focus on meeting customer needs and wants.
<b>Marketing</b>	The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.
<b>Operations</b>	The day-to-day activities for continued business functioning.
<b>Organizational learning</b>	A concept that refers to a firm's ability to accept and respond to change appropriately, becoming as effective and efficient as it can be.
<b>Proactive management</b>	A style of management that involves anticipating and planning in advance for change, rather than simply reacting to outside events when they occur.

<b>Producers</b>	The people who make or provide goods and services.
<b>Production</b>	The economic process or activity of producing goods and services.
<b>Raw-goods producers</b>	A type of producer that provides goods in their natural state.
<b>Regulations</b>	An established set of rules.
<b>Responsibility</b>	Fulfilling one's obligations in a dependable, reliable manner. The duty to get the job done.
<b>Retailers</b>	A business that buys consumer goods or services and sells them to the ultimate consumer.
<b>Service businesses</b>	A type of business that performs intangible activities that satisfy the wants of consumers or industrial users.
<b>Slack resources</b>	Resources above and beyond what are needed to operate an organization.
<b>Social responsibility</b>	The duty of business to contribute to the well-being of society.
<b>Span of control</b>	The measurement of how many workers are supervised by one manager.
<b>Staff authority</b>	Advisory authority, often without the ability to enforce or take action.
<b>Trade industries</b>	Businesses that buy and sell goods to others; retailers and wholesalers.
<b>Wholesalers</b>	Intermediaries who help to move goods between producers and retailers by buying goods from producers and selling them to retailers.