

## **Business Studies Key Word Definitions.**

**Corporation tax;** a tax on the profit of a Limited Company

**Supply Chain;** is the organizations and people that move raw materials to the end product which the consumer purchases.

**Income tax;** paid on the profits a business makes, either sole trader, partnership or through the PAYE system as a deduction from earned income

**Discrimination;** acting unfairly against someone because of an aspect that does not affect their ability to do the job, and is usually something over which they have no control, such as skin colour, gender or a disability.

**Repeat Purchase;** when a customer has a good first experience with a product, so returns to buy more.

**Legal Entity;** what type of business you trade as either a sole trader, partnership or limited company (Private or Public).

**Bankrupt;** where you are declared unable to clear your debts, where your liabilities exceed your assets.

**Sole Trader;** a business with unlimited liability, owned and run by one person

**Customer Satisfaction;** how the customer feels after buying, receiving and any aftersales service they receive or after paying for a service

**Private Limited Company;** a business with shareholders that has limited liability but not floated the stock exchange

**Unlimited Liability;** the entire responsibility for debts no matter how big they are and how little you invested, the responsibility of the owner of the business.

**Limited Liability;** when liability is limited to the amount a shareholder invested

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