

DECA Comprehensive Exam Terminology

- **Supply** – amount of an item producers are willing to produce and sell at a given price.
- **Sole proprietorship** – business that is owned by a single owner that provides the money and skill to run the business.
- **Demand** – amount of an item that consumers are willing to buy at a given price.
- **Capitalism** – economic philosophy that is driven by the marketplace and competition.
- **Interest** – fee paid for borrowing money
- **Inflation** – occurs when prices rise. Low inflation is characteristic of a stable economy.
- **Integrity** – is adherence to moral and ethical principles; soundness of moral character
- **Entrepreneurship** – a person provides the necessary skills, time and money to start a new business
- **Letter of application** – letter that lets employers know that person is interested in a position and why he/she should be hired
- **Networking** – way for business people to meet others and build a list of contacts
- **Internship** – A way that people can gain work experience in a given field – may or may not be paid.
- **Trade Association** – a group or organization that serves the people in a given field.
- **Trade Show** – a place where businesses can show their products to potential clients.
- **Job Application** – form that gathers information about potential employees.
- **Resume** – a summary of a job applicant's education, skills, experience, activities and references.
- **ADA** – The American with Disabilities Act (ADA) is a federal act that protects people with disabilities from discrimination.
- **OSHA** – The Occupational Safety & Health Administration is a government body that provides and enforces safety guidelines for the workplace.
- **Operations** - include the day-to-day running of the business, which may include scheduling, logistics, facilities management, etc
- **Marketing** – the process of planning, pricing, promoting, selling and distributing products that will satisfy the needs of customers and ensure a profit for the business.
- **Deductions** - An amount that is or may be deducted from something, esp. from taxable income or tax to be paid.
- **Net Pay** - Net pay is the remaining amount after deductions from the gross salary, where net means ultimate.
- **Federal Tax** - A withholding tax levied against employees. The amount of withholding varies with the amount of earnings, frequency of pay, number of claimed exemptions, and marital status.

- **The Federal Insurance Contributions Act (FICA) tax** - is a United States payroll (or employment) tax imposed by the federal government on both employees and employers to fund Social Security and Medicare —federal programs that provide benefits for retirees, the disabled, and children of deceased ...
- **Medicare** - A federal system of health insurance for people over 65 years of age and for certain younger people with disabilities
- **Partnership** – A partnership is a business that is owned by two or more people that are bound in a legal agreement. All partners are jointly responsible for the success or failure of the business.
- **Competition** – occurs between businesses trying to gain customers, keep existing customers from their competitors.
- **Gross Domestic Product** – a measure of the total output of goods and services that are produced by a country.
- **Profit** –the amount of money made after costs and expenses have been covered.
- **Private Enterprise** – another term for a market economy, characterized by an individual’s right to: own private property, freedom of choice, profit and competition, and democratic institutions (also known as free enterprise or market economy).
- **Command Economy** – the gov’t controls all factors of production (resources) and makes all the economic decisions
- **Communism** – an economic and political philosophy where the gov’t owns all of the industry and provides for its people.
- **Cash Flow Statement** – A cash flow statement is a monthly statement that shows when cash will go into and go out of a business.
- **Balance Sheet** – a statement of a business’s assets, liabilities and owners equity.
- **Income Statement** – a statement of a business’s income and expenses over a period of time, such as one month a year.
- **Finance** – includes overseeing the revenue, expenses, budgets and financial statements of a business.
- **Risk Management** – is the way a business plans to handle any insurable or non-insurable risks they may encounter.
- **Insurance** – form of risk management known as risk transfer. With insurance, businesses can transfer their risk to the insurance company.
- **Identity Theft** – occurs when one steals information from another person and then applies for credit or electronically steals funds from the person.
- **Dividends** – the cash payment of profits from a corporation to its shareholders.
- **Economic Utilities** – refer to the concept of adding value to a product through form, place, time, possession and information.
- **Equity** – refers to an individual’s value as a stockholder within a company

- **Economic Goods** – tangible items of monetary value. Examples include: pizza, sneakers, cars, etc.
- **Customer Relationship Management** – a field that combines marketing information management with customer service. The goal is to create relationships with customers through personal communications.
- **Nonverbal Cues** – form of communication without using words.
- **Stereotype** – a standardized conception or image held in common by a group of people.
- **Investments** – when money is used to make more money
- **Ethics** – values and principles that guide decisions
- **Budget** – plan to manage finances
- **Gross Sales** – the total of all sales during a given period.
- **Net Sales** – Total sales minus returns and allowances equal net sales.
- **Cost of Goods Sold** – the amount spent to produce and purchase goods that are sold in the business are known as cost of goods sold.
- **Executive Summary** – An executive summary is an introduction and overview of the information contained in a written plan
- **Staff meetings** -- regularly scheduled meetings. These are held so staff can be provided an update on any projects they may be working on.
- **Brand promise**- a statement that lets the customer know what they can expect from a company's products/services.
- **Customer Service Mindset** – the belief that the customer is the most important priority of the business.
- **Franchisee** – owner of a franchise is known as a franchisee
- **Franchisor** – the owner of the parent company that grants the rights to use their name and products.
- **Asset** – all items that have a cash value that are owned by the business are known as assets
- **Price competition** – occurs when a business focuses on meeting or having a lower price than the competitor.
- **Non-Price Competition**- occurs when a business focuses on factors other than price to attract customers; such as customer service, product selection, business services...etc
- **Administrative Law**- includes rules and procedures that are regulated by a government agency.
- **Environmental Law**- includes state and federal statutes that protect the environment, wildlife, land, water and prevent pollution.
- **Management**- is the coordination of resources to reach an organization's goals.
- **Initiative**- means doing what needs to be done without having to be prompted by others.

- **Electronic Funds Transfer (EFT)** - includes the use of technology for banking services, such as transferring money between accounts.
- **Capital** – resources include money, buildings or equipment that is used to run a business.
- **Mentor** – a person that serves as a source of information and inspiration to someone with less experience.
- **Variable Expenses** – Business expenses that change based on the number of units that are produced are known as variable expensed.
- **Fixed Expenses** – always the same no matter how many units are produced are known as fixed expenses.
- **Economic Resources** – known as factors of production (Land, Labor, and Capital), include all the items that are used to produce goods and services.