GLOSSARY OF ECONOMICS

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NB the underlined vowels in each word are those in the stressed syllables. Please pay attention to stress and pronunciation. Examples are in *italics*.

**401k, 401(k)** – in the USA, a 401(k) is a type of retirement plan that allows employees to save and invest for their own retirement. Through a 401(k), an employee can authorize his/her employer to deduct a certain amount of money from their pay-check before taxes are calculated, and to invest it in the 401(k) plan. The money is invested in investment options that are chosen from the ones offered through the company’s plan. The federal government established the 401(k) in 1981 with special tax advantages (the money contributed to the plan is deducted from the employee’s taxable income), to encourage people to prepare for retirement. 401(k)s get their name from the section of the Internal Revenue Code which established them (section 401(k)).

**A**

**Abide** – abide by: to act in conformity with, to respect, to obey. *All people living in the US must abide by US law* (US Citizenship and Immigration Services).

**Account** – n. 1 an arrangement at a bank for commercial or financial transactions. 2 a record of income and expenses (companies must keep detailed accounts).

**v. account for** 1 to provide a reason for (*every expense must be accounted for*). 2 to answer for, to be responsible for. 3 to provide a specific proportion of (*this model accounts for 37% of our sales*).

**Accountable** – adj. responsible. *The Sarbanes-Oxley act makes CEOs more accountable for their actions.*

**Accountancy** – the profession of an accountant.

**Accountant** – a professional keeper or inspector of accounts.

**Accounting** – the process of keeping or verifying accounts.

**Accrue** – to accumulate (*accrued interests have accumulated but have not been paid yet*).

**Achieve** – v. 1 reach or obtain by effort (*achieve success*), acquire, gain, earn (*achieve notoriety*). 2 accomplish or carry out (a task).

**overachieve** – to succeed beyond expectations / above par / above average.

**underachieve** – to perform below par / below average / below expectations. Children who perform poorly at school can be called underachievers.

**Achievement** 1 what has been achieved. 2 success.

**Acquisition** - the purchase of a company by another company.

**Acquirer** – the acquired company.

**Acquiree** – the company acquiring the other one.

**Act** – act of Congress – a bill (proposed law) or resolution (written motion) adopted by both houses of the United States Congress and accepted by the President.

**Ad** – see advertisement.

**Advertise** – to draw attention to or describe favorably in a public medium to promote sales. To announce that something is for sale or that a position is vacant.
Advertisement (GB) – advertisement (US) - ad – a notice which shows that something is for sale or that a service is offered or that a job is vacant, etc. Ads can be placed in newspapers or magazines (classified ads – job offers, cars for sale, apartments for rent, etc. - or full-page ads), on TV or radio (commercials), on websites (banners)…

Advertising – the business of encouraging people to buy goods by means of advertisements.

Affect – v. to have an effect on. The travel industry was affected negatively by 9/11.

Afford – v. to have the financial means for. We can’t afford to buy new computers.

Affordable – financially accessible, within one’s means. An affordable house.

Agenda 1 in a meeting – the list of topics to be considered and/or discussed during the meeting.

2 politics – what a government or an administration or a candidate wants to do (if in power) or plans to do when in power. Example: More privatisations are on the Conservative agenda.

Alter – to change or modify.

Amortization 1 repayment of a loan by instalments.

2 (US) depreciation.

Amortize – v. to pay off (a debt).

Analyst - employee of a brokerage or fund management house who studies companies and makes buy-and-sell recommendations on stock of these companies. Most specialize in a specific industry, or in a small number of firms within one industry.

Annual report - a document distributed annually by public corporations to inform shareholders of company progress and to attract potential investors.

Annum - year. Used in the expression per annum (i.e. per year / each year).

Applicant – a person who applies for something.

Application – the act of applying. Application form: document to be filled in when applying.

Apply – to ask for something, usually in writing. To apply for a job.

Appointment – to place in a specific position (the CEO of a company is appointed by the Board of Directors).

Appointment – an arrangement to meet made in advance.

Appraisal – the act of appraising.

Appraise – v. estimate the value or quality of something.

Assess – v. estimate the size or quality of something, esp. property (for taxation). Measure (performance).

Assessment – the act of assessing. Example: Most universities now use a continuous assessment system to grade students.

Asset – anything that an individual or a corporation owns. For an individual: house, securities, cash, etc. For a company: buildings, equipment, stock, etc.

Asset management - the management of the financial assets of a company (or a person of substantial net worth) in order to maximize return.

Asset management account - an account at a financial institution that includes checking services, credit cards, debit cards, margin loans, the automatic sweep of cash balances into a money market fund, as well as brokerage services.

Assign – v. when someone is assigned to a position, he/she is placed in this position. When a task is assigned to someone, this person has to perform this task.

Assignment – something assigned to a person, a task.

ATM – Automated Teller Machine – (US) cash dispenser (the machine delivering cash after a credit card or debit card is inserted and a PIN (Personal Identification Number) is entered.

Auction, sale by auction – selling of goods where people make bids, and in which the item is sold to the highest bidder.
**Audit** - examination of a company's financial statements and control practices by a firm of accountants and auditors that confirm the accuracy of published financial statements. These statements must give a *fair presentation* (US) or a *true and fair view* (GB) of the company's situation.

**Auditor** – a member of the CPA (Certified Public Accountants) body (US) or of one of the four bodies of the Consultative Committee of the Accountancy Bodies (GB), whose responsibility is to analyse company financial statements and to give an opinion on them. An auditor may also give recommendations on ways to improve the company’s operations and procedures.

**Auditor report** - a part of the annual report containing the auditor's opinion about the accuracy of financial statements.

**Axe** – *n.* 1 a chopping tool.

2 the drastic cutting or elimination of costs or staff. *To give someone the axe* = to fire someone.

*v.* 1 to cut drastically.

2 to dismiss.

**B**


**B2C – Business-to-Customer** : trading between a corporation and individuals.

**Balance sheet** - financial statement showing a corporation’s assets, liabilities and shareholder capital.

**Ban** n. a formal or authoritative prohibition Example: *There is now a complete ban on smoking in every office in the country*)

*v.* forbid, prohibit. Example: *After his third bankruptcy, he was banned from running a business."

**Bank** n. a financial establishment which uses money deposited by customers / clients for investment, pays it out when required, makes loans, exchanges currency, etc.

*v.* bank on: to rely on, to trust in.

**Bankrupt** – unable to pay debts. To go bankrupt: to be forced to stop operating as a result of being unable to meet one’s financial obligations.

**Bankruptcy** - the inability to pay debts. When a business or a person can no longer pay their debts, they can *file for bankruptcy*, or go under Chapter 11.

**Banner** – advertising space in a web page.

**Bargain** n. 1 an agreement on a transaction. *drive a hard bargain* = to be a tough negotiator in a business transaction. *throw something in / into the bargain* = to add something to a deal / an offer (we were having a hard time closing the deal, so I threw a couple extra $1,000s in the bargain).

2 something offered or acquired cheaply. *At €25, the Thales stock is a bargain. The bargain bin (UK) a box where damaged or unwanted or definitely out-of-fashion goods are placed in the hope of getting rid of them. The Eurotunnel stock is now in the bargain bin = it is sold very cheaply and yet no-one wants to buy it.*

*v.* 1 discuss the terms of a transaction.

2 negotiate (*collective bargaining* is a common form of negotiation between employees and employers).

**Barrel** – the standard measurement for crude oil and other petroleum products. A barrel (abbreviated bbl) is 42 US gallons (about 159 l).

**Baseline** – a short formula summarising the goals of any communication or advertising strategy.
Bean counter – (slang) 1 an accountant 2 a person focusing too much on detail and/or numbers and not enough on the broader picture.

Bear - an investor who believes a stock or the overall market will decline. A bear market is a prolonged period of falling stock prices, usually by 20% or more. Opposite: bull.

Belong – belong to = to be the property of. belong in = to have one’s right place in (this kind of equipment should no longer be used – it belongs in a museum) (since Nike no longer actually makes any shoes, it belongs in the service sector rather than the garment industry).

Benefit from – to receive an advantage or gain from.

Benefits 1 (US) or Perks (GB) – anything a company can give its employees besides a salary: health insurance, scholarships for their children, a company car, an expenses account, etc.

  2 money as compensation. Unemployment benefits: a substitute for one’s salary when one is unemployed. Healthcare benefits: compensation for one’s healthcare expenses.

Bid - to bid for something is to offer to pay a certain price for it. A bid is an offer, and especially the price a buyer is willing to pay for a security. A bidder is someone making an offer to buy something.

Bill - n. 1 (US) paper used as currency (note or banknote in the UK). 2 a proposed law. 3 a document requesting payment for goods already supplied or services already rendered. 4 a poster (as in billboard or post no bills).

  v. to write or send a note of charges to someone. Ex.: We will bill your firm for the equipment you damaged.

Billboard – (US) a large outdoor advertising board.

Billing – the activity of writing bills and following up on the payments by clients or customers.

Black – in the black – to be or stay in the black means for a company to be or remain profitable. If a company is making a profit, its accounts are in the black. If it is losing money, its accounts are in the red.


Blue chip - a company recognized for quality – in general an old company, in a traditional sector. A safe, low-risk, reliable investment. Examples: Kodak, IBM, McDonald’s, Nabisco. The name blue chip comes from the game of poker, where blue chips (chips are used instead of cash when gambling, in casinos or in private venues) were traditionally the ones with the highest value.

Board of Directors – individuals elected by the shareholders of a corporation who carry out certain tasks dealing with the company’s long-term policy. The board elects its president (or chairperson) and appoints a CEO to manage the company.

Bolster – v. to encourage, to reinforce (investor mood was bolstered by good news from the Nasdaq).

Bond - a bond is a form of debt issued by borrowers for a period of more than one year. An investment in a bond is seen as a loan of the investor’s money to an entity that agrees to repay the principal at a specified time. Companies, governments (national and local), and institutions all sell bonds.

Bonus – a sum of money given by a company to an employee as a reward for their work. Money made by an employee besides his/her salary.

Book – books – where a company records its accounts.

Book-cooking – an illegal accounting practice consisting in altering a company’s accounts and/or balance sheet to hide a loss, or to pretend the results are better than they actually are.
**Bookkeeper** – *book-keeper* - a person who keeps accounts for a trader, a business, a public office, etc.

**Bookkeeping** – *book-keeping* - the activity of keeping the books for a business, a trader, etc.

**Boom** – (n. and v.) a sudden and sharp increase or growth.

**Border** – the line separating two countries.

**Borrow** – v. to acquire temporarily with the promise or intention of returning. Opp.: to lend.

**Bottom** – the lowest point or price for a financial security or index, which is then followed by an increase.

**Bottom line** 1 the last line in the balance sheet (*most investors only care about the bottom line*)

2 the conclusion of a conversation or an argument, the final word (*I don’t care if your product is the best in the world, the bottom line is: we’re not buying it*).

**Bottom out** – v. to reach the lowest level.

**Bounce** v. 1 to rebound. Bounce back = regain health or prosperity (*after years of bad business, Levi’s bounced back thanks to the engineered jeans*)

2 for a check: to be returned by a bank when there is not enough money on the account (*they finally paid us last week but their check bounced*).

**Bourse** – stock exchange.

**Brain drain** – the loss of highly educated or specialised labor as they move from their country of origin to more favorable geographic, economic or professional environments.

**Brand** n. make, identifiable trademark, label.

v. 1 mark to show ownership.

2 give a strong, instantly recognised, identity.

**Breach** n. a violation or infraction (of the law, of a legal obligation, of a promise) (*ex. a breach of contract*).

**Break-even** 1 to emerge from a transaction with neither profit nor loss.

2 to start making a profit (*we break even at 25,000 units: under 25,000 we’re losing money, if we sell more we’re making money*).

**Break-even point** - level where a transaction or an enterprise experiences neither profit nor loss.

**Bribe** n. the money or service or gift offered in the process of bribing.

v. persuade a person to act improperly and/or illegally in your favor by giving them money or a gift.

**Bribery** – the act or instance of bribing. Companies trying to get contracts in countries with a high degree of corruption can be tempted by bribery.

**Brick-and-mortar** – adj. - a traditional "street-side" business that deals with its customers face-to-face in an office or store the business owns or rents. The local grocery store and the corner bank are examples of "Brick and Mortar" companies.

**Broke** – out of money.

**Broker** – an individual who is paid a commission for executing customer orders. Also, person who acts as an intermediary between a buyer and seller, usually charging a commission.

**Brokerage firm, brokerage house** – a firm acting as a broker for individuals or businesses.

**Bubble** – a bubble is a moment of excessive speculation. A bubble occurs when too many investors all want to buy the same stock (or stocks in the same sector). Prices then rise to totally unrealistic heights. Eventually, the bubble bursts, and prices go back down to realistic levels. Historical bubbles have included the Dutch tulip bubble, or Tulipmania (in pre-stock market times – 1634-1637), the South Sea Bubble (GB, 1720), the British railway bubble (early 19th C.), the internet bubble (late 20th C.).

**Bulk** – in bulk: in large quantities. *Buying in bulk is always cheaper.*

**Bull** - an investor who believes a stock or the overall market will rise. Opp: bear.
Buoyant – (for a business) healthy or successful.
Business angel – angel investor.
Business cycle - the cycles defined by economic expansion and recession. The official peaks and troughs of the U.S. cycle are determined by the National Bureau of Economic Research (see NBER).
Business day - any day on which banks and/or securities exchanges are open for business in a country or a market.
Business plan – a document containing the goals of a potential business, the reasons why they are believed to be within reach, and the plan for reaching them.
Bust – to go bust – to go bankrupt.
Buyer – a company or an individual who is willing to buy a good or a service.
Buyer’s market – a market with more supply than demand, and therefore weak prices.
Buy-out – the purchase of a controlling stake in a company.

C
Capital – money invested in a firm.
Capital increase – an operation whereby a public company raises money by selling another batch of shares, in addition to those sold when the company initially went public.
Cartel – an agreement among, or an association of, two or more firms in the same industry to maintain prices (i.e. keep them high), control (mostly reduce) production, etc. The OPEC is a cartel.
Cash cow – a business within a group of businesses that generates a lot of cash which can be used for other, cash-hungry businesses.
Cash flow – cash which comes into a company from sales (cash inflow), or the money which goes out in purchases or overhead expenditures (cash outflow).
Casual worker, casual labourer – worker who can be hired for a short period.
CEO – Chief Executive Officer - The highest-ranking employee of a company. A title held often by the Chairperson of the Board, or the president. The person principally responsible for the activities of a company.
CFO – Chief Financial Officer - The officer responsible for handling the financial affairs of a company.
Chair, Chairman, Chairperson of the board (US) – President (GB) – Highest-ranking member of a Board of Directors, who presides over its meetings and who is often the most powerful officer of a corporation. Elected by the members of the Board of Directors.
Chancellor – Chancellor of the Exchequer – the British economics and finance minister. The Chancellor has overall responsibility for the work of the Treasury (hm-treasury.gov.uk). See Treasury (UK).
Chapter 11 (US)– to go under chapter 11 means for a company to seek protection from bankruptcy (under Chapter 11, a company is no longer obliged to pay its creditors and can use this situation as an opportunity to start a recovery plan). A company that goes under Chapter 11 will either recover or go definitely bankrupt. (after chapter 11 of the US Bankruptcy Reform Act of 1978).
Charge  v.  1 to ask as a price. My broker charges 0.5% for each order I place.
2 to debit the cost of to. Just charge it to my account.
3 to ask (someone) for an amount as a price. The taxi driver charged me $25 for a 5-minute ride.
4 to accuse. An analyst working for Moody’s was charged with insider dealing.

n. 1 a price asked for goods or services.
2 a financial liability or commitment.
3 an accusation (against a defendant in a trial).

Cheat  v.  1 to deceive or trick.
2 to gain unfair advantage by breaking the rules of a game or of business.

n. a person who cheats.

City – The City – the part of London governed by the Lord Mayor. Now a synonym for high finance, or the financial district of London, or British finance. The Bank of England, the London Stock Exchange, most major banks, insurance companies and financial institutions, operate in the City.

Class action - class action suit – a legal complaint filed by a lawyer or group of lawyers for a group of petitioners with an identical grievance (i.e. reason to complain), often with an award proportionate to the number of plaintiffs involved. Recent examples were suits against tobacco companies (by ill smokers and families of dead smokers), car manufacturers (by victims of accidents due to a fault in a car), airlines (by the families of the victims of a crash), or businesses whose activities involved the use of asbestos (by former employees).

Clearance –  1 authorisation, permission. The new marketing campaign is ready – we are now waiting for clearance to launch it.
2 clearance sale (UK) a sale organised to get rid of stock and / or to make space in a store or a warehouse.

Clerk – a low-level employee in a bank, a store, an office, etc. Examples: sales clerk, shop clerk, accounts clerk.

Clerical – adj. of a clerk or done by a clerk: clerical work.


Client – a customer for a service: banks, brokers, lawyers, consultants, advertising agencies, etc. have clients, not customers.

Clinch  v. to successfully end a transaction. We finally clinched the deal.

Close v. to successfully end a negotiation. We closed the deal yesterday.

n. the end of a trading session. The closing price is the one printed in the next morning’s newspapers. The closing of the NYSE is marked with a bell.

Closed company, closed corporation – a privately owned company.

Closing – close n.

Collapse – (n. and v.) a sudden and extremely serious fall.

Collateral – a physical asset offered as a guarantee for the repayment of a loan, and which can be repossessed in case of default, i.e. if the borrower cannot pay back.

Commercial – a television or radio advertisement.

Commitment - 1 act of officially sending someone to prison, mental hospital, etc.
2 a promise to do something.
3 dedication, involvement (his commitment to the company is admirable).
Commodity - 1 goods and services. 
2 any bulk good traded on an exchange or in the cash market. Some examples include grain, oats, gold, oil, beef, silver, and natural gas.

Commodity basket – a virtual basket of consumer goods used as reference to measure inflation and consumer prices.

Company – a business, a group of people organized to buy, sell or provide a service. A company can be private or public. See private company, public company.

Compensation package – a sum of money and/or stock received by a laid-off employee as a compensation for the loss of his/her job.

 Competence, competency – ability, skill.

Competition – rivalry, esp. in business or commerce.

Competitive advantage, Competitive edge – to have a competitive edge over your competitors means you have a slight advantage over them.

Competitive intelligence – the activity consisting in watching carefully, or spying on, one’s competitors, so as to keep or gain competitive edge over them.

Competitor – a rival. Rival companies compete for the same market or market segment.

Compliance – the act of complying.

Comply – v. to act in accordance with (comply with expectations), to respect, to obey (comply with the rules of trade).

Conglomerate - a firm with two or more divisions engaged in unrelated businesses.

Conservative – opposed to change or rapid change (for a person). contr. of liberal or libertarian (see liberal, libertarian). Moderate, careful, avoiding extremes (conservative asset management).

Consignment – shipping, delivery.

Consolidation – joining two or more firms together in order to form a new entity.

Consultancy – a firm of consultants. The profession of consultant.

Consultant – a person providing professional advice for a fee.

Consumer – a purchaser or a user of goods or services.

Consumer interest – the interest rate for consumer credit (debt that someone incurs for the purpose of purchasing a good or service).

Consumer society – a society in which the marketing of goods and services is an important social and economic activity.

Consumption – the act of consuming.

Contract n. a written or spoken agreement between two or more parties, enforceable by law. Contracts of employment can be short-term or long-term, or fixed-term or open-end (i.e. with no pre-defined termination date), or automatically renewable.

v. enter formally into a business or legal agreement, agree by contract to provide a good or a service. We contracted to build this bridge in 18 months, if it is not completed in time we will face severe penalties.

Contract out – to use an outside supplier, instead of an in-company service or department, for a specific task. Most businesses contract out their accounting, their customer service hotline, etc.

Contractor – a person who undertakes a contract, especially to provide materials or take care of building operations. A plumber, an electrician, a carpenter, are contractors.

Controller – in most organizations the controller is the top managerial and financial accountant. The controller supervises the accounting department and assists management in interpreting and utilizing managerial accounting information.

Cook the books – v. see book-cooking.

Core – center. core business = a company’s central / essential / strategic activity.
Corporate – (adj.) relative to a corporation or to business: corporate banking (as opposed to private banking), corporate identity, corporate culture, etc.

Corporate governance – the way companies run themselves, and particularly the way they are accountable to their stakeholders. In the past years it has been a growing concern of investors, who demand that top executives be more responsible for their decisions, especially that their pay be more performance-related.

Corporate social responsibility – see CSR.

Corporation - a legal entity that is separate from its owners, a form of business organization. A large company.

Cost estimate – an assessment of the price of a good or a service. Before buying a good or a service, a potential buyer can ask several potential providers for a cost estimate.

Costing – establishing the price, or estimating the value, of a good or a service.

Counterfeit n. a fraudulent imitation.
adj. made in imitation of what is genuine (a counterfeit banknote).
v. 1 to make a copy of with the intention to defraud or deceive (the North Korean regime has been accused of counterfeiting dollar bills).
2 to make fraudulent copies of valuable items (counterfeiting is the main activity of this company).

Counterfeiting – the activity of fraudulent imitators (counterfeiting is a major concern to the luxury industry).

Cover letter - covering letter – letter or note sent with documents to say why they are being sent. Usually letter sent along with CV when applying for a job.

CPI – Consumer Price Index - a measure of price changes in consumer goods and services such as gasoline, food, and automobiles, published monthly by the American Bureau of Labor Statistics.

CPI is one of the most used statistics to identify periods of inflation or deflation. It usually has a big impact on stocks the day it is released.

Craft 1 a skill, a talent.

2 an occupation requiring manual dexterity or a specific skill.

Craftsman, craftswoman – a person who practices a craft or handicraft, an artisan. A cabinet-maker, a carpenter, a potter, are craftspeople.

Crash - a dramatic downturn or loss in market value.

Credit – a person’s financial standing, the power to obtain a loan from a bank. A person with good credit will be able to borrow a larger sum of money (and with a lower interest rate) than a person with bad or no credit.

Credit-unworthy – with bad credit. A credit-unworthy person or business is too high a risk for a bank and will have difficulties obtaining a loan.

Credit-worthy – with good credit, worthy of securing a loan.

Credit crunch – the situation when banks stop lending, or impose stricter conditions on borrowers, usually because they consider risk is too high.

Credit rating – a rating of how much, and at which price (interest rate) a company can borrow money, and more generally how trustworthy and financially sound it is.

Creditor – a person, or a corporation, or a bank, that has to recover money from a debtor.

Crime – a serious violation of law, a serious offence. Burglary, espionage, theft, terrorism, etc. are crimes under US or UK law.

Crony – a longtime friend or companion.

Cronyism – favoritism to old friends, regardless of their competence or qualifications, especially for political appointments.

Crunch numbers – to process numbers with the help of a computer.
CSR – Corporate Social Responsibility - *the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large* (Lord Hoyme and Richard Watts, *Making Good Business Sense*, published by The World Business Council for Sustainable Development). CSR is the responsibility that some corporations realise they have to their employees, their customers, their communities, society, the environment. Hence the efforts of some to give back to society, preserve the environment, apply an equal opportunities program, respect cultural differences, etc. It has also become a buzzword one can find in every Fortune 500 annual report.

**Currency** – the money in general use in a country. The American currency is the dollar.

**Customer** – a buyer of (traditionally) a good, or (increasingly) a service.

**Customs**
1. a duty or tax levied on certain imported and exported goods.
2. the official department in charge of this.
3. the area in an airport, at a port, on a border, where customs officials deal with incoming goods, baggage, etc.

**Data capture** – entering data in a computer.

**Data mining** – looking for, and gathering, data.

**DAX** – *Deutsche AktienindeX* – the leading German stock index, composed of 30 blue-chip shares traded on the Frankfurt stock exchange.

**Deadline** – the date before something must be done.

**Dealer** – a person or a business involved in the retail sales of a specific type of goods (*car dealer, drug dealer*).

**Dealership** – the place where a dealer (esp. a car dealer) does business.

**Debt** – something that is owed: money, a payment, etc.

**Debtor** – a person or corporation that owes money to a creditor.

**Decrease** – the opposite of *increase*.

**Default** – n. failure to fulfil an obligation (failure to pay). v. to fail to fulfil an obligation (to pay, to appear in court, etc.).

**Deficit** - an excess of liabilities over assets.

**Delay** – to make late. *A delay* occurs when something cannot be done or obtained in time.

**Demand** – see *supply and demand*.

**Demonstration** – a public meeting or march or event for a political or moral purpose. *France is world-famous for its street demonstrations*.

**Deposit**
1. money left as security before receiving a service (e.g. before renting an apartment) or to reserve an item before buying it at a later date.
2. money left with a bank (*savings deposit*).

**Depreciation** – decrease in the value of an asset. Depreciation allows a company to write off the cost of a piece of equipment over its entire useful life, not only during the year when it was bought. Example: a piece of machinery costing 100 can be amortized over 5 years (20 a year) rather than one since this piece of machinery is going to generate revenue for 5 years until the company buys a new one. Depreciation is a non-cash expense (or non-cash charge) that provides a source of free cash flow. It is an accounting expense, not a real expense that demands cash.

**Deputy** – a person appointed or delegated to act as a substitute for another (*deputy chairman*).

**Deregulation** – the removal or reduction of government control over an industry: *the French telecommunications market was deregulated in the 1990s*.

**Derivative** – a financial contract whose value is based on, or *derived* from, a traditional security (such as a stock or bond), an asset (such as a commodity), or a market index.
Digit – a numeral from 1 to 9. Examples of use: double-digit: requiring two digits to be written, higher than 9 (double-digit inflation); six-digit (a six-digit salary).

Dip – (n. and v.) to decline slightly and briefly.

Discount – a reduction in the price of a good or a service.

Dismiss – to stop employing a worker.

Dismissal – an act or instance of dismissing.

Disposable income – the income a household can freely spend. Income left after tax and other expenses (credit repayments, rent, bills, etc.) have been deducted.

Distribution – the act of sending goods from the manufacturer to the wholesaler and then to the retailers.

Dive – v. to take a sudden drop (stocks dived yesterday).

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Dive – v. to take a sudden drop (stocks dived yesterday).

Dip – (n. and v.) to decline slightly and briefly.

Discount – a reduction in the price of a good or a service.

Dismiss – to stop employing a worker.
Efficient – productive with minimum waste or effort.
   Example: a plane trip from Paris to London via Madrid is effective (the desired effect was to get to London, and it has been achieved) but not very efficient.

Embezzle – to illegally take money (or other assets) for one’s own use, in violation of a trust. Our former accountant is currently serving two years in jail for embezzling 1.6 million in cash.

Embezzlement – the act or instance of embezzling.
Employee – a person working for another or for an organisation in exchange for a salary.
Employer – a person or an organisation that employs people and pays them wages.
Employment 1 the act of employing.
   2 the state of being employed.
   3 occupation, activity.
   4 the percentage or number of people employed (Full employment is every Western government’s dream).
Endorse – to declare approval for. For instance, a celebrity who agrees (in exchange for money) to wear a certain brand of clothes in public or to appear in commercials endorses the brand.
Endorsement – the act of endorsing.
Enhance 1 to increase.
   2 to improve.
Enterprise 1 readiness to engage in any undertaking, especially a bold or difficult one.
   2 a business firm.
Entrepreneur – a person who has enterprise (1). A person who undertakes an enterprise or business, with the chance of profit or loss. An audacious businessperson.
Entrepreneurship – what it takes to be an entrepreneur. The qualities of an entrepreneur.
Equity 1 ownership interest in a firm.
   2 share.
   3 capital.
Establish – to set up or consolidate (a business).
Establishment 1 the act of establishing.
   2 a business organisation.
   3 a place of business.
   4 the Establishment: the group in a society having authority and influence, and seen as resisting change.
Evasion – see tax evasion.
Executive – a person with managerial or administrative responsibility in a business organization, a senior businessman.
Expenses – costs, money spent.
Expenses account - an account designed for a company’s employees to claim certain costs (e.g. airline tickets) as expenses and be reimbursed by their employer.
Expertise – the knowledge or skills of an expert. Senior accountants have more expertise than beginners in creative accounting.

F
Facility 1 ease, absence of difficulty.
   2 facilities: equipment or resources for doing something.
   3 a plant, installation, or establishment (e.g. a law enforcement facility is a prison, a production facility is a factory).
Factory – a building containing equipment for manufacturing machinery or goods.
Fail  v.  1 to be unsuccessful (contrary of pass): I failed the test.
  2 to be unable to, to neglect to: they failed to pay our last bill.
  3 to collapse, to become bankrupt: my business failed.
Fair   adj. just, unbiased, equitable, in accordance with the rules (e.g. auditors must provide a
true and fair view (GB) or a fair presentation (US) of the financial situation of a company). A
fair deal provides both parties with an equitable treatment. An honest businessperson plays
fair with his/her counterparts.
  n. an exhibition, especially to promote particular products. A convention (job fair, trade fair).
Fair trade - a partnership between producers and buyers who are working to remove the
disadvantages suffered by producers, to increase producers’ access to markets and promote
the sustainable development process. Its mission is to promote social equity, environmental
protection and economic security through trade. The key principles of fair trade are:
  1. respect, and concern, for people and the environment, putting people before profit
  2. the creation of means and opportunities for producers to improve their living and
working conditions
  3. the development of mutually supportive relationships between sellers and buyers
  4. payment of a price by the buyers which ensures the producers a fair return for their
labour and an acceptable return to the marketing organisation
  5. raising awareness on the situation of women and men as producers and traders
  6. promotion of equal opportunities for women
  7. protection of women’s, children’s and indigenous people’s rights
Fall – (n. and v.) to decrease sharply and rapidly.
Fall through – fail, come to nothing: the deal fell through (i.e. there was no deal / no agreement / no contract).
Fault – a defect or imperfection of structure, appearance, etc. Adj. faulty. Ford Motor Co. is
recalling 5,000 new models because they have faulty brakes.
FDI – Foreign Direct Investment – Foreign direct investment - the acquisition abroad of
physical assets such as plants and equipment, with operating control residing in the parent
corporation. Depending on context, FDI can mean investment abroad (American FDI =
American investments in other countries) or investment by foreigners (FDI in Ireland =
investment in Ireland by non-Irish corporations).
Federal Reserve System – the Fed - the central bank of the US which regulates the monetary
policies of the US, including interest rates. The system consists of 12 Federal Reserve Banks.
Fee  1 payment made to a professional person or to a firm in exchange for advice or
services (e.g. legal fees are paid to a law firm).
  2 money paid for a privilege or for admission (entrance fee, membership fee).
Financial year – a year, for taxation or accounting.
Fiscal year – see financial year.
Fix  1 to repair.
  2 to fraudulently arrange (The result of the boxing match was fixed / These two chains
of supermarkets are accused of fixing prices to eliminate competitors).
Flip side, flipside – the downside, the less positive aspect of something. This looks like a
great deal, but there’s a flipside.
Float  1 to move freely (floating interest rate).
  2 (for a currency) to be allowed to have a fluctuating exchange rate.
  3 (for stocks) to offer on the stock market for investors to buy. Our company will float
500,000 new shares next month.
Follow the money – to look for the financial interests behind a decision or an event. Why war
with Irak? Follow the money! (fff.org)
**Foosie** – see FTSE.

**Forecast** – to predict; to estimate or calculate in advance. A forecast is a calculation or estimate of something future.

**Foreclosure** – the legal process by which a person (usually a borrower) or legal entity loses ownership of a property (usually after defaulting on their mortgage payments, but also after failing to pay taxes or bills). A court orders the termination of the owner’s right of property, and the sale of the property in question, for the benefit of the creditor (usually a bank). The number of foreclosures skyrocketed in the US in 2007 and 2008, as a consequence of the subprime crisis.

**Foresee** – to see or be aware of in advance.

**Forge** 1 to create by careful effort (*forge a special relationship, forge an alliance*).

2 to counterfeit (*forge banknotes*), to reproduce or alter for fraudulent purpose (*forge a check, forge a signature*).

**Forgery** 1 the act of forging.

2 something forged, counterfeit, or fraudulent (*this document is a forgery*).

**Forgo** - to abstain from, to give up. *Some businessmen in recently admitted EU members find it difficult to forgo their corrupt practices.*

**Fortune 500** – the 500 biggest companies in the US, as listed by Fortune Magazine. *I only invest in Fortune 500 companies.*

**Franchise** – a retailing system consisting in a contract between a franchiser and a franchisee. The franchiser provides expertise, know-how, a common image, communication and advertising policy, and sometimes products. In exchange, the franchisee must find a location, staff and manage it, and pay the franchiser an entrance fee (once) and a percentage of (depending on the terms of the contract) turnover or profits (every month).

**Franchisee** – see franchise.

**Franchiser, franchisor** - see franchise.

**Fraud** – the use of false representations (e.g. fake or forged documents) to gain unjust advantage.

**Fraudulent** – characterized by fraud (*a fraudulent statement*) or achieved by fraud (*a fraudulent gain*).

**FTSE** – *Financial Times Stock Exchange index* - “Foosie” – London Stock Exchange’s leading stock index. The FTSE100 lists Great Britain’s 100 largest public companies.

**Fund** – a security giving investors (individual or corporate) access to a diversified portfolio of equities, bonds and other securities. See also *hedge fund, mutual fund, trust fund.*

**G**

**Gain**

n. 1 something acquired (*one man’s loss is another person’s gain*).

2 progress (*the UK has made spectacular economic gains in the past 10 years*).

3 increase (*a gain in profit*).

v. tr. 1 acquire (*gain information, gain weight, gain experience*).

2 win, obtain in competition or struggle (*gain control of a company*).

3 obtain through effort (*gain someone’s agreement*).

4 earn (*gain a living*).

5 increase by (*the Dow Jones gained 40 points*).

v. intr. 1 increase (*gain in expertise*).

2 obtain a profit or an advantage, benefit (*I am absolutely certain we will gain from the merger*).

**GATT** – *General Agreement on Tariffs and Trade* – a body in charge of promoting international free trade through a series of rounds of negotiations between governments.
GDP – Gross Domestic Product - the market value of goods and services produced over time including the income of foreign corporations and foreign residents working in a country, but excluding the income of this country’s residents and corporations overseas.

Generic – having no brand name, not protected by a registered trade mark.

Generic brand – a brand specific to a retailer. Synonyms: retailer brand, private label.

Glass ceiling – an invisible obstacle baring women or other minorities from reaching top level in the corporate world. Although it looks as if opportunities are the same for all, for some, especially women, it is virtually impossible to make the board, i.e. to become members of boards of directors.

Globalisation- inclination toward the integration of national capital markets and a worldwide investment environment.

GNP – Gross National Product - measures and economy's total income. It is equal to G.D.P. plus the income abroad of domestic residents minus income generated in domestic market benefiting non-residents.

Go down – sink. The company went down = the co. went bankrupt.

Go South – to fall or go down, decline, decrease in value. Our assets are going south fast.

Golden handshake - a large payment to a senior employee who is forced into retirement or fired as a result of a takeover or similar development.

Golden hello -  a bonus a securities firm pays to attract an employee from a competing firm.

Golden parachute – the huge compensations awarded to CEOs and top managers when they lose their jobs, often after poor performance. It's a win-win situation: if I succeed, I’ll be rewarded with bonuses and stock-options, if I don’t, I’ll be laid off and leave with a golden parachute.

Golden share - a type of share that gives its shareholder veto power in any vote regarding a company. This kind of share is typically held by a government organisation, in a state-owned company that is in the process of being privatized (for a limited amount of time, while the company becomes accustomed to operating in a public and competitive environment), or in a company considered to be of permanent and/or strategic importance to national interest and/or security.

Gradually – slowly, step by step, steadily.

Graft 1 illegal practices (e.g. bribery) used to secure gains in politics or business.
2 the gains from these practises.

Greenlight – v. to give the green light, i.e. permission to go ahead, to a project or operation. After weeks of negotiation, they finally greenlighted our new marketing campaign.

Grow – to increase in size or value.

Growth 1 an increase in size or value.
2 economic growth characterizes the expansion of an economy's capability to produce goods and services, and is usually accompanied by higher incomes. If there is no inflation, a 2% growth rate implies that the economy is producing 2% more goods and services than were produced in the prior year. The most common measure of economic growth is GDP.

H

Handout 1 money from welfare. I no longer want to depend on handouts, I really want to get a real job and support my family by myself.
2 flier, leaflet (handed out to people).

Hands-off – hands-off management: a style of management whereby a manager (a hands-off manager) chooses to delegate tasks, and allow his / her subordinates to work independently and without constant supervision. Opposite of hands-on.
**Hands-on** – hands-on management: a style of management whereby a manager (a *hands-on* manager, not necessarily a *micro*-manager) allows his / her subordinates little space for creativity or initiative, and supervises them closely. Opposite of *hands-off*.

**Hardly** – almost not.

**Head office, headquarters, HQ** – the main office of a company, where the board of directors meets and works.

**Headquarters** – see *head office*.

**Hedge** v. 1 reduce one’s risk of loss on a speculation by compensating transactions on the other side.

2 avoid a definite decision or commitment.

n. 1 a strategy used in order to reduce an investment risk involving investing in a security in contrast to one’s primary objective. If a commodity producer agrees to sell its goods at a specific price on a specific date in the future, and a commodity processor agrees to buy them, they have both nullified the risk they each faced (having to sell in a falling market, for the producer, or having to buy in a rising market, for the processor). See *hedge fund*.

2 words or expression used in order to make one’s statements less definite or softer-sounding: *I may be wrong, but – it seems to me that – apparently – seemingly – etc* are hedges.

**Hedge fund** - an aggressively managed, and loosely regulated, type of portfolio taking positions on safe and speculative opportunities. A hedge fund uses a wide variety of strategies, some of which are particularly risky, that traditional funds (e.g. mutual funds) do not use. Most hedge funds are limited to a maximum of 100 investors, and the minimum investment required is extremely large, which is why hedge funds are unregulated: it is assumed that the people (or institutions) investing in them are very sophisticated and wealthy, do not require specific protection, and are aware of the risks involved. The term *hedge* refers to the fact that most hedge funds are *hedged*, i.e. they combine long and short investments so as to be protected (hedged) against market-wide shocks. However, most hedge funds are in fact not hedged.

**High** – a high is the highest point reached by a number (a price for instance) over a period of time (a two-year high, a six-month high).

**High Street** – the British equivalent of *Main Street*. A High Street bank is a bank which has a branch in every High Street in the country, i.e. a bank serving the general public.

**High-yield bonds** – junk bonds.

**Hike** v. to increase.

n. an increase. *price hike*.

**Hire** 1 to take on as an employee.

2 to employ.

3 to rent (*a car, some equipment*).

**Horizontal acquisition, horizontal integration** – the acquisition of a firm that produces similar goods and/or services, and that is at the same level in the production process.

**Horizontal merger** - a merger involving two or more companies in the same industry, a merger of two or more competitors.

**Household** – the people living in one house or apartment (in general, a family).

**HQ** – headquarters.

**Human resources** - the workers available to a company. Its employees. Its staff. The Human Resources department in a company can also be called the personnel dept.
IMF – International Monetary Fund – the referee and rescuer of the world’s financial system. It provides its members with advice on economic, fiscal and monetary policy.

Implement – put into effect. Once a strategy has been defined, it must be implemented.

Important – not to be neglected or overlooked.

Inc – incorporated – a firm or company that has been formed into a legal corporation by completing the legal procedure is incorporated (i.e. the state where it is based allows it to operate as a corporation) and its name ends in inc.

Incentive – encouragement, reward.

Income – money or other assets received, from business, work, investments, etc.

Income statement – (US) see profit and loss account.

Increase – to make or become greater in size or number.

Index - statistical composite that measures changes in the economy or in financial markets, often expressed in percentage changes from a base year or from the previous month. Indexes measure the ups and downs of stock, bond, and some commodities markets.

Industrial action – to take industrial action = to go on strike.

Industry - the category describing a company’s primary business activity. This category is usually determined by the largest portion of revenue. Businesses in the same field belong to the same industry (e.g. the car industry, the garment industry, the appliances industry, the travel industry).

Inflation - rate at which consumer prices for goods and services are rising in a given economy.

Infringe – to break (a law) or violate (an agreement).

Infringement – violation of a copyright, patent, or trademark. Downloading music from a peer-to-peer site is an infringement of copyright.

Insider dealing – insider trading – an illegal practice consisting in buying or selling shares of a company when one has access to privileged or secret information (e.g. an upcoming merger or takeover) thanks to one’s position in the company, or in the company’s bank or accounting firm.

Installment, instalment – regular payment for the paying off of a debt (monthly instalments, yearly instalments).

Institutional investors - institutions such as investment companies and mutual funds that invest as a company in large volumes of securities as opposed to individuals investing.

Interest - the price paid for borrowing money expressed as a percentage rate. This term is also used meaning a title in property.

Intern – a recent graduate or undergraduate student working in a business for little or no pay and learning the skills of his/her trade.

Internship – a period spent as an intern: a two-month internship, a one-year internship.

Investments - the trading of assets with the intention of gaining money during the course of those transactions.

Investor - one who owns or buys a financial asset and hopes to get a profit from it.
Invisible hand – a metaphor created by Adam Smith to illustrate the principle of "enlightened self interest". In *The Wealth of Nations* (1776), Adam Smith makes the claim that, within the system of free trade, an individual acting for his own good tends also to promote the good of his community. He attributed this principle to a social mechanism that he called the Invisible Hand:

Every individual necessarily labours to render the annual revenue of the society as great as he can. He generally neither intends to promote the public interest, nor knows how much he is promoting it... By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for society that it was no part of his intention. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good.

**Invoice** - a document submitted by a seller of goods and services to the buyer requesting payment.

**IOU** – (pronounced “I owe you”) a signed document acknowledging a debt.

**IPO - Initial public offering** - the first sale of stock by a company to the public, when a company goes public, i.e. sells shares for the first time.

**IRS – Internal Revenue Service** – the United States government agency that is responsible for the collection and enforcement of income tax.

**Issue** n.  
1 the circulation of shares, bonds, etc.  
2 each of a regular series (of a magazine, a newspaper: the June 23rd issue).  
3 a point in question, an important subject of debate or conflict.  

v.  
1 to put into circulation (shares, bonds), to publish (magazines, newspapers).  
2 to supply (a passport, orders: he issued orders to the staff).

**IT – Information technology** – the modern technology based on the widespread use of computers. The IT department in a company takes care of computer equipment and maintenance.

**J**

**JIT** – see just-in-time.

**Joint-venture** – an agreement between two or more companies to undertake economic activity together. The partners in the joint-venture contribute capital and share the revenue and expenses of the new entity.

**Junior** – n. a younger and less experienced employee, as opposed to a senior. Adj. *a junior manager, a junior executive, a junior partner.*

**Just-in-time** – a Japanese management system based on the principle that no stock should arrive for processing until the minute that it is actually required. JIT saves large amounts of money by eliminating unnecessary inventory, but it requires highly sophisticated logistics systems to operate efficiently.

**K**

**Know** – to be aware of. NB *To know* CANNOT be used as a synonym for *to experience (hard times) / to suffer (a setback) / to enjoy (a boom in sales), etc.*
Labor (US), Labour (GB) – workers, especially manual. Workforce. Labour costs, labour charges: cost of the workers employed to make a product.

Labor-intensive, labour-intensive - requiring a large amount of labour, i.e. a large numbers of workers.

Laborer (US), Labourer (GB) – a worker doing unskilled physical work, especially outside, sometimes as an assistant to a skilled worker.

Laissez-faire – let-it-be economics: the belief that an economy functions best without government interference.

Land – obtain, manage to get (a job / an interview). I finally landed a job interview after sending 45 applications.

Larceny - the unlawful taking of another person’s property, theft.

Laundering - 1 washing (clothes in general).

  2 a term used to describe the process whereby criminals hide illicit funds by converting them into seemingly legitimate income. Large amounts of cash coming from illegal activities (most often drug dealing) can then be used for legit investments. The “no questions asked” (about the provenance of large sums of money deposited by anonymous investors) of tax havens makes money laundering still reasonably easy.

The term comes from the Prohibition era in the US. One of the methods used to disguise the origin of the immense amounts of cash generated by sales of alcohol (illegal during the Prohibition) consisted for criminal organisations in owning laundries, through which illicit money was turned into legit cash.

Law 1 rule, regulation.

  2 a body of rules. This is illegal under French law.

  3 any specific branch of the applications of law. Commercial law, law of contract.

  4 laws as a subject of study. My favorite subject this year is law.

Lawsuit – see suit.

Lay off - to dismiss. Another 1,000 workers will be laid off next month.

Layoff- dismissal. Nestlé announced 1,000 layoffs yesterday.

Lead – for a salesperson: a potential customer, or a way to access this customer. His sales performance is better than mine, but he has better leads.

Lease v. to grant the use of something for a fee.

  n. an agreement by which the owner of a building or land allows another to use it for a specified time, for a fee.

Legal – related to law, permitted by law. to take legal action against = to start a lawsuit against, to take to court.

Lend – to grant a person or a company the use of something with the understanding that it must be returned, generally with interest in the case of money.

Let go – to lay off. We will have to let you go = you are dismissed. I was let go = I was laid off.

Levy – raise. States levy a tax on every transaction. We need to levy money from investors in order to make new investments.

Liability 1 a financial obligation, any debt or money owed (as opposed to an asset). Obligation to pay for a company’s, or a person’s, losses. Liability can be limited (to the amount of money an individual has invested in a company for instance) or unlimited.

  2 responsibility. This establishment will not accept any liability for damage to the cars (a sign in a parking lot).

Liabilities – a company’s financial obligations and debts. They are listed opposite assets in a balance sheet.
Li
dable 1 legally bound, responsible for (an auditor is liable for the accounts he/she audits).
2 subject to (any sale is liable to tax).
Liberal 1 open-minded, not prejudiced.
2 in favor of individual liberty, free trade, and moderate political and social reform.
3 in US politics, liberals are opposed to conservatives, mostly over social issues (education, civil rights, abortion, the death penalty, etc). Not all Democrats are liberals, but no Republican is a liberal.
Liberty – freedom. An essential concept in American politics, and in liberal economic theory.
Likely – probable, which may well happen or be true. To be likely to + v. = to be reasonably expected to (Gasprom is likely to become the key player in European energy markets in the near future).
Liquidation 1 the termination of a company when its assets are sold and the proceeds from that sale are first given to creditors and then to stockholders.
2 a transaction that closes out a position.
Liquidation value - the amount that would be gained by selling a company’s assets after its debts are paid.
Liquidator - a person who oversees the sale of a failed company’s assets and the payment of its debts.
Listed – listed company: a company whose shares trade on a major stock exchange.
listed stock: the stock of a listed company.
Litigation – a dispute sued in court. Any issue brought before a court.
Loan - temporary borrowing of a sum of money. If an individual borrows $10,000 they have taken out a loan for $10,000.
Loan-shark – n. a person or organisation lending money at an excessive interest rate.
Loan-sharking – the activity of lending money at an excessive interest rate. Most criminal organisations practice loan-sharking.
Lobby v. to try to influence.
 n. a group seeking to influence legislators, decision-makers, or companies, for the benefit of a particular interest (the gun lobby, the anti-abortion lobby).
Logistics – the process of planning, implementing, and controlling the efficient, cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from point of origin to point of consumption for the purpose of meeting customer requirements. (Canadian Association of Logistics Management - calm.org/calm).
Low – a low is the lowest point reached by a number (a stock price for instance) over a period of time (a five-year low, a two-week low).
Loyal – showing loyalty. A loyal customer keeps buying from the same brand or store and does not change suppliers. A loyal employee will not easily leave his/her employer for another and contributes significantly to its human capital.
Loyalty – the fact of remaining loyal, or faithful, to a company (employee loyalty) or a brand (customer loyalty).
Ltd – limited – the names of limited liability companies end in Ltd (limited) for private companies, or plc (public limited company) for public companies in the UK, Ltd or Inc (incorporated) in the US.
M & A – mergers and acquisitions.

Macjob, Mcjob – (from McDonald’s) Macjob: a low-pay, low-prestige, low-dignity, low-benefit, no-future job in the service sector. (Douglas Coupland, Generation X, 1991). Macjobs are often part-time jobs, held by students, recent immigrants, or the working poor.

In 2003 the word appeared in the US best-selling dictionary, to the outrage of McDonald’s co., with the following definition: a low-paying job that requires little skill and provides little opportunity for advancement (Merriam-Webster Collegiate Dictionary).

Main Street – the main thoroughfare in any American town. A symbol for simple, unsophisticated, Mom-and-Pop type of business, as opposed to the world of finance and shrewd investors. The opposite of Wall Street. We must bring Wall Street to Main Street – and we must use the efficient, mass merchandising methods of the chain store to do it – Charles E. Merrill, co-founder of Merrill-Lynch.

Maintenance – the activity of maintaining, i.e. keeping equipment, buildings, etc. in good working condition.

Major 1 large, significant (a major player in the oil business).

2 serious (a major crisis).

Mall – (US) a shopping center.

Margin - the difference between a company’s revenue and production costs.

Market - a place for the buying and selling of products.

Market capitalization - measure used to determine the size of a corporation: the total value of all the company’s shares.

Marketing – the science concerned with selling a product or a service and making it attractive to potential customers: design, packaging, promotion, advertising, etc.

MD – Managing Director – the British equivalent of CEO.

Meagre – deficient in quantity, insufficient (meagre sales, meagre improvement).

Means – that by which a result is achieved (e.g. means of transport).

Measly – ridiculously small (I asked for a 10% raise and they offered me a measly 0.5%).

Medium, pl. media – the means by which something is communicated.

Merge – for a company, to unite with another, and become one entity. To cause a company to unite with another (last year we merged one of our subsidiaries with its main supplier).

Merger – an operation consisting in making one company with two.

Middleman – an intermediary, especially between the producer and the consumer of a commodity.

Misappropriation – the intentional use of another person’s funds for a personal benefit or unauthorised purpose. A crime committed by public officials (who embezzle the public’s money), trustees (who take money from the fund they have a duty to manage), administrators of a dead person’s estate, and generally anyone who has a fiduciary duty to protect and care for someone else’s assets.

Money supply - the total amount of money (physical currency in circulation plus demand deposits, i.e. money on current accounts, or checking accounts, in banks) available in an economy at a particular time.

Monitor – v. test, check the quality or content of (monitor a series of products), keep track of and collect information on (customers’ opinions), watch over or supervise (a negotiation).

Mortgage - loan collateralized (i.e. guaranteed) by real estate property which obligates the borrower to make a series of payments of principal and interest. Most home buyers take a mortgage to buy their houses.

Mortgagee - the lender of a loan that is secured by real estate property.

Mortgager - the borrower of a loan that is secured by real estate property.

Mount – go up. The IBM share hasn’t stopped mounting in 3 weeks.
NASDAQ - National Association of Securities Dealers Automatic Quotation System - an electronic system that provides price quotation information to market traders. Although NASDAQ was once simply a quotation system, today it is a stock exchange as well. Younger companies, including many start-ups, are often quoted on the NASDAQ, which is often considered as the new technologies market, and as a symbol for this industry.

Nationalization - when a government takes control of a private company.

Nearly – almost.

Net loss - a firm’s total earnings after all expenses have been met if the total is a negative amount; opposite of net profit.

Net profit - a firm’s total earnings after all expenses have been met if the total is a positive amount; opposite of net loss.

Net profit margin - net income divided by sales.

Net worth 1 for a business: net assets. 2 for a person: the total amount of a person’s personal assets. Asset management is reserved to high-net worth individuals.

NGO – Non-Government Organisation – an organisation that is not directly part of a government structure, and is generally concerned with welfare, charity, community or volunteer work, or self-help.

Niche – niche market – a small sector of a market, a small, specialized market. Rolls Royce is in a niche market within the car industry.

Nikkei Stock Average - an index of 225 stocks of the Tokyo Stock Exchange.

NINA – No Income, No Assets. – a household with very little credit. NINA loan: an innovative form of adjustable-rate mortgage created to enable banks to lend to such households.

NINJA – No Income, No Job, or Assets – a household with little or no credit. NINJA loan: a NINA loan for such a household.

Nosedive – plummet.

Note, banknote – (UK) a piece of paper currency (a £10 note).

Number crunchers – slang – a nickname for people whose job consists mostly in processing numbers and/or statistics, especially accountants.

NYSE - New York Stock Exchange 1 the oldest and largest stock exchange in the US. 2 composite index consisting of four separate indices: industrial, utility, transportation, and finance.

O

Occupation – employment.

Occupational – regarding one’s occupation: occupational hazard, occupational disease / illness.

Odd jobs – low-qualification, manual tasks or chores (e.g. gardening, home repairs, plumbing, cleaning, packaging, etc.).

Odd-jobs man / woman – a person charged with odd jobs in an organisation, an apartment building, a hotel, etc.

OECD – Organization for Economic Cooperation and Development – a Paris-based organization of 29 rich nations. The OECD aims to harmonise international trading practices and to promote free trade.

Offence – any crime or violation punishable by law.
**Offshore** – a term describing entities located or based outside of one's national boundaries, usually in a tax haven. The term offshore is often used in conjunction with banks, corporations, investments, and deposits. Companies will typically move offshore (or set up an offshore branch or subsidiary) for the purpose of tax avoidance and to enjoy more relaxed regulations.

**On-the-job training** – training received while working in the position one is being trained for.

**OPEC** – Organisation of Petroleum-Exporting Countries – a cartel founded in 1960 by oil-producing countries to defend their interests.

**Outlet** - a place where goods are sold to the public.

**Outsource** – to obtain products or services from specialized agencies or other companies, rather than employing members of staff to provide them. *Nike has totally outsourced the production of its sneakers to companies in developing countries.*

**Overdraft** – a deficit in a bank account caused by drawing (i.e. spending) more money than there actually is on the account.

**Overhead, overheads** – costs of the day-to-day running of a business.

**Overheat** v. to become too hot. For an economy, overheating means growing too fast, with a risk of high inflation (the Chinese economy is often said to be in danger of overheating).

**Owe** – to be under obligation to pay or repay. A borrower *owes* the money he/she has borrowed to the lender.

**Own** – to have as property, to possess.

**Owner-operator** – a businessperson owning and operating their business alone: a contractor, a hairdresser, a grocer, etc.

**P**

**The 4 Ps of Marketing** – Product, Price, Place, Promotion.

**P2P** - peer-to-peer – used to describe a transaction between two individuals (e.g. a sale on eBay.com or an exchange of music files via the internet).

**P & L** – profit and loss.

**Par** 1 average. An above-par performance is better than average, a below-par performance is less good.

2 the nominal or face value of a security. *at par*: at face value. A bond selling *at par* is worth the same price as its original issue value or its price at maturity.

**Partnership** - form of a company where ownership is shared among two or more people.

**Pass** – get through, be accepted, be successful (*pass an exam*), approve or vote (*the bill was passed*).

**Pay-as-you-go** - A method of paying income tax (or of saving for retirement) in which the employer deducts a portion of an employee's monthly salary to give it to the tax authorities (or to invest it in a pension fund or pension plan).

**Payroll** 1 a list of employees receiving wages or salaries, with the amounts due to each. *be on the payroll = be an employee of* (*Saddam Hussein is rumored to have been on the CIA payroll in the 1980s*).

2 the total sum of money to be paid out to employees at a given time.

**Payslip, pay slip** – a document included with an employee’s pay recording how much he/she has earned and how much has been taken out for insurance, tax, etc.

**Paystub, Pay stub** – payslip.

**Peak** - the point at which a value begins to decline after a period of rising.
Peddle v.  1 to sell while travelling (*peddle goods from door to door*).
2 to try to convince others to buy a product or service of poor quality (*he is constantly peddling his outdated accounting software*).

**Pension, pension benefits** – the money retired workers receive as a substitute for their salary. Pay-as-you-go or unfunded pension: a pension system whereby the pensions are financed by contributions from workers (which means the pensions depend on the relative numbers of workers and non-workers). Opposite: funded, or fully-funded pension: a pension system in which money contributed by workers, employers and government is invested to be given back to the contributors when they retire (which means the pensions depend on the performance of the investment).

**Pension fund** - a fund set up to pay the pension benefits of a company's workers after retirement.

**Pension plan / pension scheme** – when a company offers its employees a pension scheme, it subsidizes their contributions to their pension fund.

**Pensioner** – someone who receives a pension.

**Pep talk** – a short speech, usually by a manager to his / her subordinates or team, meant to boost morale or motivation.

**Performance-related pay** – a pay system that rewards performance and gives higher salaries to the more productive or efficient employees.

**Perks** – see benefits 1.

**Personal borrowing** – the fact for an individual to contract a loan. Borrowing by individuals in general. *Personal borrowing accounts for a significant part of the American debt.*

**Personal loan** – a loan contracted by an individual.

**Pink slip (US)** – the document one receives from his/her employer when he/she is laid off.

**Piracy**  1 robbery committed at sea (by a pirate).
2 the unauthorized use or reproduction of copyrighted or patented material (*software piracy, internet piracy*).

**Pitch** – n. a fragment of speech designed to persuade (*a sales pitch*).

v.  1 to throw (a ball, as a *pitcher* in baseball for instance)
2 to try to promote or sell, often aggressively (*the IT manager is coming today to pitch his new sales monitoring system*).

**Plan** – n. design, scheme, program (*plan of action*).

v. arrange in advance, form a plan (*we plan to start operating by June of next year*).

**Plant** – factory, place of production (*car assembly plant, power plant, etc.*).

**Plateau**  v. reach and remain at a level after an increase (*sales plateaued in 2005*)

n. a state of little or no variation after an increase.

**PLC, plc** – *public limited company* – (UK) in a public limited company, the liability of shareholders is limited to their share capital (i.e. the amount of their investment).

**Plummet** – to fall or plunge rapidly.

**Plunge** – to go down dramatically and rapidly.

**Policy**  1 course of action adopted by a government (*monetary policy*), a business (*pricing policy*), or an individual.

2 *insurance policy*: contract of insurance.

**Politician** – a person involved in politics.

**Politics**  1 the art and science of government.
2 the activities of a government.
3 activities concerned with acquiring or exercising power (elections, etc.).

**Portfolio**  1 a group or collection of investments.
2 the collective security holdings of an individual or group.

**Post** – to make visible, announce, advertise (*post no bills, post a job, post an ad*).
Postpone – to move to a later date.

Poverty Line – the minimum income level needed to meet the necessities of life. More and more households are slipping below the poverty line.

PPP - Purchasing Power Parity - purchasing power parity (PPP) is a theory (based on the “law of one price”) which states that exchange rates between currencies are in equilibrium when their purchasing power is the same in each of the two countries. This means that the exchange rate between two countries should equal the ratio of the two countries' price level of a fixed basket of goods and services: if the same basket of goods costs US$100 in the US and CAN$120 in Canada, the exchange rate should be 1.2 CAN$/1US$ (1 US$ equals 1.2 CAN$). When a country's domestic price level is increasing (i.e., a country experiences inflation), that country's exchange rate must be depreciated in order to return to PPP. The simplest way to calculate purchasing power parity between two countries is to compare the price of a "standard" good that is in fact identical across countries. Every year The Economist magazine publishes a light-hearted version of PPP: its "Big Mac Index" that compares the price of a McDonald's hamburger around the world. More sophisticated versions of PPP look at a large number of goods and services. One of the key problems is that people in different countries consume very different sets of goods and services, making it difficult to compare the purchasing power between countries.

President – see Chair.

Private banking – the business of providing banking services to individuals and households, as opposed to corporate banking.

Private company – a company belonging to only a limited number of people, a company whose capital is not open and whose shares are not publicly traded. Opposite of a public company.

Private label – see generic brand.

Produce – something produced, especially fresh fruits and vegetables (farm produce).

Profession – professional – a professional is a person holding a job involving advanced learning or science, e.g. a doctor, a lawyer, etc. The related branch is called a profession: the medical profession, the legal profession.

Profit - revenue minus cost; the gain from the sale of a security, asset, or commodity.

Profit and loss account – profit and loss statement – (UK) part of a company’s financial statements summarizing revenues and expenses (production costs, taxes, etc.) during a specific period of time and showing how much profits (surpluses) or losses (deficits) were made, and how much is left for shareholders (US equivalent: Income Statement).

Profit margin - net income divided by revenue; a profitability ratio.

Profit sharing – an incentive system providing that employees share in their company’s profits by receiving cash, stock or bonds.

Profitability – a measure of how profitable an investment or an operation is, i.e. how much profit it yields compared with how much it costs.

Prospect – 1 expectation, forecast (sales prospects are bleak for next year).

2 potential customer.

Protectionism - a political stance involving the protection of domestic industry from competing foreign industries by the use of trade barriers.

Provide – 1 to make something available, to supply (a supplier provides its customer with its products).

2 to take care of (Our company provides for its employees’ retirement).

Proxy – 1 the power to act on behalf of another (vote by proxy).

2 a person with such power (shareholders can appoint a proxy to vote on their behalf in general meetings).
**Public** – a company is public when its capital is open to the general public, i.e. when members of the public can buy its shares on the stock exchange. Almost all large companies are public, since selling shares is often the only means to finance large investment or development schemes. When a private company decides to open its capital to anyone interested in investing in it, it goes public. When a government decides to sell a state-owned company, it takes it public.

**Public limited company** – see **PLC**.

**Publicist** – a publicity agent or a public relations officer.

**Publicity** – NB publicity IS NOT advertising – the act or activity of making public and/or popular. Most companies use the services of publicity agents to produce or increase their public exposure and/or notoriety. Negative publicity (although some people think there cannot be such a thing as bad publicity – “anything is good as long as they talk about you”) can result from the disclosure of a company’s illegal or unethical practices.

**Publicly traded company** – a company whose shares can be traded in a public market, such as the stock market.

**Publicly traded stock** – the stock, or shares, of public companies.

**Publish**
1 print and offer for sale (books, newspapers, etc.).
2 announce, advertise (e.g. a job).

**Purchase**
v. to buy.
n. an act of buying.

**Put off** – postpone.

**Put up** – offer for sale or mortgage. *Sam Walton, the founder of WalMart stores, had to put up his house to raise money for his first business.*

**Q**

**Qualification** – what makes a person fit for a position, an assignment, etc. *I think I have the right qualifications for the position you offer.*

**Quarter** – a period of three months.

**Quarterly** – published or happening every quarter (quarterly results).

**Quit** – to resign.

**Quote**
n. 1 the price of a stock.
2 a cost estimate.

v. 1 to list the price of (General Motors Co. is quoted on the NYSE).
2 to give a price for (Could you quote me a price for 50 laptop computers?).

**Quotation** – the operation consisting in determining the price of a stock.

**R**

**Raid** – an attempt to take control of a company by buying its shares on the stock exchange, hoping to persuade enough shareholders to sell them. Syn.: a hostile takeover bid.

**Raider** – an investor who attempts to take control of a firm by purchasing a controlling interest in the firm’s stock and then replacing the management team; person or group conspiring to take control of a firm without the consent of the firm’s current management.

**Raise**
1 to increase the amount or value of something (to raise a price). A raise is an increase (to ask for a raise = to ask for a higher salary). *Raise the stakes: see stake.*
2 to raise money: to gather money from lenders and investors in order to start or refinance a business.

**Rainy day** - saving or preparing for a rainy day means doing so in anticipation of difficult times.
Rally - situation when prices move upward after going down. A market rally occurs when all
investors in one market go in the same direction at the same time, i.e. when they all buy the
same stock or stocks in the same sector. *Yesterday on the NYSE there was a rally on
insurance stocks.*

Rate 1 a proportion (the unemployment rate shows what percentage of the available
workforce are unemployed).
2 the price of a service (postage rate, shipping rate, full rate).
3 the amount of money paid (an interest rate is how much must be paid to borrow
money).

Reach – to get as far or as high as (reach the break-even point).

Real estate – property (buildings or land), or the business of trading and leasing property.

Realize 1 to become aware of.
2 to sell (realize one’s assets).

Realtor – a person or a business working in real estate, an estate agent.

Rebrand – v. try to give a new image / identity to a brand / a product / a concept / an
institution. *After 9/11, a former marketing executive was appointed to rebrand America.*

Receipts 1 funds collected from selling land, capital, or services.
2 collections from the public (budget receipts), such as taxes, fines, duties, and
fees.

Receiver – a person appointed by a court to administer the property of a bankrupt person or
business.

Receivership – the situation of a business that is administered by a receiver. to go into
receivership = go out of business / go bankrupt.

Recession - recession is the common expression used to describe the situation of an economy
that is producing below its potential, and undesirable high unemployment rates are a major
consequence. A recession is defined as two consecutive quarters of negative GDP growth.

Recoup – 1 make up or compensate for (recoup a loss).
2 regain (recoup health).

Recover – to return to good health (for a person), good results (for a business), or growth (for
an economy).

Recovery – the act of recovering.

Red – in the red – the opposite of in the black. When the profit-and-loss account of a
company shows a loss or a deficit, the company is in the red.

Red tape – excessive bureaucracy. *Creating a company in France involves a lot of red tape.*

Redundancy - job cut. *More redundancies were announced yesterday.*

Redundant – no longer needed in his/her job and therefore laid-off. To be made redundant: to
lose one’s job.

Re-engineering – re-organisation. Often involves layoffs. Often used as a synonym for
downsizing.

Referee – a person willing to provide reference for (i.e. recommend) an applicant.

Reference – what is provided by a referee, esp. a written testimonial in support of an
applicant. At the end of a résumé, one can write the names and contacts of 1, 2 or 3 referees,
or simply write “references available upon request”.

Refund v. give back a sum of money, reimburse. *Should you not be totally satisfied
with our service, you will be refunded, no questions asked.*

n. the act or instance of refunding. *We offer a full refund on any article within
30 days of purchase.*

Regulation 1 the act or process of regulating.
2 a rule.
Regulator – an organisation or a person in charge of setting and enforcing rules. The SEC is the regulator of American stock markets.

Reimburse – v. to give back a sum of money.

Release
  1 set free (release from jail).
  2 make publicly or generally available (results, statistics, indexes, etc.).
  3 issue (films).

Relocate – to move to another location, often to another country. Many French manufacturers of consumer goods have recently relocated their production operations to countries where labor is cheaper.

Remain – v. to stay, not to move.

Rent
  v. to let or hire for money.
  n. the periodical payment for use of a service, an equipment, a piece of real estate, etc.

Report – see annual report.

Repossess – to regain possession of, esp. in the case when a person or a business fails to repay a debt. Your car will be repossessed if you default on your payments.

Resign – to leave one’s job.

Résumé – CV.

Retail – the sale of goods to the public, in small quantities and not for resale.

Retail banking – banking for individuals. Contr. of corporate banking.

Retailer brand – see generic brand.

Retailing – retail.

Retire – to leave one’s employment, generally because of age.

Retiree – a retired person.

Retirement – the act of retiring, or the situation of being retired.

Return - the change in value of s security or portfolio over a given period of time. Syn. of yield.

Revenue – (US) income of a firm before expenses or taxes (GB: turnover).

Rip off – v. defraud, steal. I didn’t get what I paid for. I was ripped off.

Rip-off – n. fraud, swindle. €2,000 for 2 hours of computer maintenance? What a rip-off!

Rise – to grow, to go up, to become higher.

Risk - possibility or likeliness of loss, degree of uncertainty.

Risk capital – venture capital.

Risk management - the management of exposure to risk through careful selection of investments.

Rocket – to move very rapidly and sharply upwards.

Rule of thumb – an empirical rule based on experience or practice rather than theory.

S

S&P – see Standard and Poor’s Corporation.

S&P 500 Index – Standard and Poor’s 500 Composite Index – a combination of other indicators produced by Standard and Poor’s Corporation: the S&P Industrial Average (385 stocks), the S&P Transportation Average (15 stocks), the S&P Utility Average (44 stocks) and the S&P Financial Average (56 stocks). The 500 companies involved account for about 80% of the market value of all the businesses listed on the New York Stock Exchange.

Salary – a fixed regular payment made on a monthly or quarterly basis by an employer to an employee, especially a professional or a white-collar worker.

Sales – the activity of selling. The department concerned with this activity in a company.

Sales assistant - a salesperson in a shop.

Sales associate - a salesperson in a shop.

Sales clerk – a salesperson in a shop.
**Salesman – saleswoman – salesperson** – a commercial traveller, an employee of a company selling goods or services by visiting homes or offices.

**Sales representative – sales rep.** – a commercial traveller.

**Sarbanes-Oxley Act** – named after Senator Sarbanes and Congressman Oxley, this act was voted in 2002, one year after the Enron scandal broke out. It contains measures regarding financial reporting by CEOs and CFOs (who are made more accountable for the results they post), corporate governance, regulation of the accounting profession and avoidance of conflicts of interest (mainly between the roles of accountant and auditor). Penalties for providing untrue financial statements can go as high as $5-million fines and 20-year prison sentences.

**Save** – to keep, to refrain from spending, to reserve for the future, to set aside.

**Savings deposit** - an account that pays interest, can usually be withdrawn from easily, and does not have a maturity date.

**Scam** – a scheme designed to rob someone of their money, by gaining their confidence and cheating them rather than by force or violence. Typical examples are the e-mails promising to make one very rich by making one a partner in an international money-transfer operation, providing they first pay a few $1,000 to meet the first costs of the transaction (this particular scam is know as the Spanish prisoner, after the first instances of its type in 1588, by people claiming to work to rescue a rich noblewoman being held prisoner in Spain, and promising to reward generously those willing to help them finance the operation).

**Scarce** – insufficient for the demand, hard to find.

**Scarcity** – lack. *Organised scarcity*: artificially created scarcity, in order to boost demand, increase prices and/or speculate.

**Seal** – to successfully end a transaction or negotiation. *They can’t back out of the contract now. The agreement is sealed / We have sealed the deal.*

**SEC - Securities and Exchange Commission** - the federal agency charged with the regulation of American financial markets and overseeing the securities industry, responsible for the enforcement of US securities laws.

**Sector** – a distinct part of the economy. Often a syn. for *industry*.

**Securities** – paper certificates or electronic records evidencing ownership of equity (stocks) or debt obligations (bonds).

**Securitization** – the process of packaging together cash-flow producing assets to create a financial instrument (a security) which is sold to investor. Any asset generating cash-flow can be securitized, and the securities created this way are called *asset-backed securities* (ABS).

**Seller** - a company or an individual who is willing to sell a good or a service.

**Seller’s market** - a market with more demand than supply, and therefore high prices.

**Senior** – n. an older and more experienced employee, as opposed to a junior. Adj. *senior managers, senior staff members, senior negotiators*.

**Seniority** – the fact of being a senior. How long an employee has been with a company. In case of a lay-off plan, employees with less seniority are the first to be made redundant.

**Settle** 1 to establish or become established (*We are trying to settle on the Asian market*).
   2 to resolve (a conflict).
   3 to terminate (a lawsuit) by mutually agreeing not to go to court and finding an arrangement acceptable to both parties.
   4 to pay (a debt, etc.).

**Settlement** 1 when payment is made, the finalization of a trade.
   2 the specific date a securities trade is credited to the accounts of the buyer and seller and all evidence of ownership and payment are transferred.
   3 an out-of-court arrangement ending a dispute.

**Share** – one of many equal parts in which a company’s capital is divided.
**Shareholder** - investor that owns shares in a company.

**Shareholder value** – the amount of trust, faith and confidence shareholders have in a particular company. Companies try to build and maintain shareholder value to keep their shareholders’ support.

**Sharp** – (adj.) steep, abrupt (a sharp decrease in stock prices).

**Shelf**  
- **v.** 1 put on a shelf.  
2 put aside, interrupt, terminate, decide not to implement or apply. *The project looked great but it was too expensive, and the management decided to shelf it.*
- **n.** where the goods for sale are placed in a store.

**Shelf life** – how long a product can be for sale before it is obsolete / outdated / old-fashioned / no longer good or healthy. *Video games have a shelf life of 3 to 6 months.*

**Shift**  
- **v.** 1 exchange one thing for another (*I shifted assignments with one of my co-workers*).  
2 move from one place to another.
- **n.** 1 a change or substitution.  
2 a group of workers that replace another on a regular schedule, or the working period of that group (*I work the night shift / I’m on the day shift / the production department works in 3 shifts of 8 hours each*).

**Ship** – to send away to a customer. *The goods were shipped last week, you should receive them any day now.*

**Shop** – a small retail outlet.

**Short**  
- **adj.** 1 not long.  
2 not having enough of (*short of cash / on cash*). *go / run short of = not have enough. come short of = fail to reach (we came short of our sales targets for the month).*

**Shortage** – insufficiency, absence, lack. *The world is bound to face a massive oil shortage within the next 20 years.*

**Significant** – remarkable, interesting to note. A significant number is a high and interesting number. *A significant drop in unemployment.*

**Skill** - expertness, ability. e.g. computer skills, negotiating skills, communication skills, etc.

**Slump** – (n. and v.) a sudden severe and prolonged fall in prices or values, a sharp or sudden decline.

**Small-cap** – short for small capitalization: smaller public companies.

**Smuggle** – import or export illegally, esp. to avoid customs duties (taxes). *Cigarette smuggling has increased sharply in recent months.*

**Smuggler** – a person involved in smuggling activities.

**Soar** – to reach a high level, to go up rapidly and sharply.

**Solo trader** – a person owning a one-person business: a contractor (painter, plumber, carpenter), a shopkeeper, etc.

**Sole ownership, Sole proprietorship** - a form of a company where it is owned by a single person. A sole proprietor has unlimited liability for company debt.

**Solvency** – the quality or state of being solvent. *Your solvency will be thoroughly assessed when you apply for a loan.*

**Solvent** – capable of meeting financial obligations, financially reliable, credit-worthy.

**Sour** – to go sour / turn sour = to turn out badly. *Business went sour after a few years of recession and we were forced to close shop.*

**Spike**  
- 1 a sharp rise followed by a sharp decline in a graph.  
- 2 a sudden sharp increase in a price (*oil spike).*

**Spin-off**  
- 1 an incidental result or benefit. *The Internet is a spin-off of military research.*  
- 2 an independent company created from an existing part of another company through a sale.
Spreadsheet – a software allowing manipulation and processing of numerical data. Excel™ is the most widespread spreadsheet.

Stake – how much of a company one person or institution owns or attempts to buy. (the French state still owns a controlling stake of France Télécom). raise the stakes: to increase the importance, difficulty or risk of an operation or undertaking (the new reward scheme has raised the stakes for the sales force / after trying to find an agreement, the dismissed employees have raised the stakes for their former employer by going to court over the issue).

Stakeholder – any person or institution that has an interest in a company: shareholders, creditors, employees, suppliers, customers, management, the community and government.

Standard & Poor’s Corporation - abbreviated as the S and P, publisher of a range of financial information including the "Standard & Poors 500," which is one of the most widely followed stock market indexes.

Status symbol – an object (car, watch, cellphone, PDA), an activity (sport, game), an attitude, a behavior, indicating a person’s status, i.e. social position. Flashy cars are typical trader status symbols.

Steady – done or operating or happening in a uniform and regular manner. Adv. steadily.

Stock n. 1 a store where goods are kept. 2 a supply or quantity of goods ready for use or sale. 3 equipment or material for manufacture or trade (e.g. for a railway, rolling stock is train cars and engines). 4 farm animals (livestock) or equipment. 5 the capital of a business. 6 shares. 7 a piece of ownership in a company, its earnings, and its assets. 8 reputation (your stock is up with management).

v. 1 have or keep in stock. 2 provide with goods or equipment. 3 stock up with = make a stock of (we should stock up with fuel before the price goes up again).

Stock exchange – an organization that provides members with a format and place to exchange common stocks. The two major US stocks exchanges are the NYSE (New York Stock Exchange) and the AMEX (American Stock Exchange).

Stock index - An index that follows a portfolio of stocks, for example, the Dow Jones Industrial Average.

Stock market - the market where equities are traded.

Stock options – employee stock options is the term generally used to describe options that employees have on their company’s stock. It means they are allowed to buy shares at a very low price (or they get these shares for free) as incentive, on condition that they keep them for a long period of time. They are likely to make a large profit when they sell them.

Store n. a large retail outlet. A department store is composed of several specialized sections, or departments.

v. put in store, keep, accumulate, stock.

Strike - the organised refusal by employees to work, because of a disagreement with management or of an order from their union. Employees then walk out (on strike), or go on strike.

Stumble – to nearly fall. Fig. = to briefly go down. Sales stumbled last month but they quickly went back up.

Subcontractor – a company working for a larger company as part of a larger project. Car makers use subcontractors for the parts they assemble in their plants.

Subsidiary - a company that is part of a larger corporation.
**Subsidize**  
1 to pay a subsidy to. *American farmers are heavily subsidized.*  
2 to reduce the cost of by subsidy. *Subsidized lunches are a common benefit.*

**Subsidy** – money given by the state to keep prices down or for public interest: *farm subsidies, housing subsidies.*

**Substantially** – largely, significantly.

**Sue** – to take legal action against, to take to court.

**Suit** – the process whereby a dispute is resolved through hearings and questioning and testimonies, in a court of law, by a judge and/or a jury.

**Supply and demand** – according to the law of supply and demand, the price of goods is determined by how many are available and how many are required by consumers. *in short supply*: scarce, not easily available, in demand.

**Survey**  
1 a study, an analysis (*market survey*).  
2 an assessment of public opinion by questioning a representative sample of the population.

**Sustainable development** - development that meets the needs of the present without compromising the ability of future generations to meet their own needs (*Our common Future*, better known as “The Brundtland Report”, by the Brundtland Commission, 1987 – chaired by Norwegian prime minister G. H. Brundtland, the commission was appointed in 1983 by the United Nations to propose strategies for sustainable development). Sustainable development is development that takes the impact on the environment into account and tries to minimize environmental damage.

**Sweat**  
**Sweat** goods: goods produced by workers working long hours under poor and / or unsafe conditions, for very low pay.

**Sweatshop** – a place where sweat labor is used.

**Swiftly** – rapidly, promptly, quickly.

**Swindle**  
**Swindle** n.  
1 a fraudulent scheme designed to trick a person into giving his / her money or possessions.  
2 a situation when one pays too much for very little or no service.

**Swindle** v.  
1 steal a person’s money or possessions, by ruse or by cheating.  
2 take someone’s money and deliver very bad or no service at all. *I paid good money for this vacation and I didn’t get what was shown on the brochure. I feel I was swindled.*

**Take over**  
1 succeed to the management or ownership of. *After 25 years running the company, his father retired and he took over.*  
2 take control.

**Takeover** – the operation by which a company takes control of another company.

**Takeover bid** – a takeover bid is an offer to a company’s shareholders to buy their shares, at a particular price during a particular period, in order to take control of that company.

**Tap** – establish access to, try to become connected to (*tap a new market*).

**Target**  
**Target** v.  
1 identify as an object of attention or attack (*this campaign targets seniors*).  
2 direct (*we ought to target our attention on marketing now*).

**Target** n.  
1 goal, something to be reached. *to be on target to: to aim to, to plan to (we are on target to break even in 2004).*  
2 the specific group of potential buyers that an advertising campaign is trying to reach.  
3 the victim of a raid or a takeover bid.
**Tariff** – duty or customs (a form of tax) on imports or exports.

**Tax** – a contribution to state revenue by individuals, property and businesses.

**Tax evasion** – the illegal non-payment or underpayment of tax, especially income tax.

**Tax haven** - a country where there exists liberal tax incentives or moderate taxes for the benefit of those wanting to invest in or export from that country.

**T-bond** – see treasury bond.

**Teller** – in a bank, the employee working at the counter, in direct contact with clients.

**Temp** n. a temporary employee.

v. to work as a temp. *I temped for a couple of years until I found a long-term contract.*

**Temp agency** – temporary employment agency - an agency providing employers with temporary employees, and providing workers with short-term assignments.

**Terminate** - bring to an end. terminate a contract = put an end to a contract. terminate a person = put an end to a person’s contract = lay off.

**Theft** – the act or instance of stealing, larceny.

**Thrive** – to prosper, to be doing very well.

**Track record** – originally the performance history of a race horse, track record now means the past performance of a person or organization. *Her track record is impressive: she has not lost a case in over five years.*

**Trade** v. buy and / or sell.

n. 1 the activity of buying and / or selling.

2 business made for a profit (*I’m a car dealer by trade = my occupation is car dealer).*

3 the tools of the trade / the tricks of the trade = the tools / tricks used in a particular activity or occupation. *After 20 years as a salesman, I know practically every trick of the trade.*

**Trade gap** – the difference between a country’s imports and exports (in the case when imports exceed exports).

**Trade union** – see union.

**Trademark, trade mark, ™, ®** - a type of intellectual property: a name, word, phrase, logo, symbol, design, image, or a combination of these elements.

**Trader** - an individual who trades securities in order to make a profit.

**Train** – to teach a specific skill by practice.

**Trainee** – a person receiving training.

**Training period** – a period during which a trainee learns a skill or a trade by practicing on the job.

**Training session** – an instance of training. *Training sessions are organised regularly to familiarize the staff with new procedures.*

**Treasury (UK)** - the Treasury is the United Kingdom's economics and finance ministry. It is responsible for formulating and implementing the UK Government's financial and economic policy (hm-treasury.gov.uk).

**Treasury (US)** - the government agency that issues all Treasury bonds and bills.

**Treasury bill** - a US Treasury debt obligation that will have a maturity of one year or less. T-bills generally mature at 91 days, 182 days or 52 weeks.

**Treasury bond (T-bond)** - a US Treasury debt obligation that has a maturity of 10 years or more.

**Treasury note** - a US Treasury debt obligation that has a maturity rate of between 2 and 10 years.

**Trend** - the general direction a market, a curve, etc. is taking.

**Tri al** 1 the moment in a lawsuit when all parties appear in court before a judge.

2 a test.
**Trial period** – a time during which a new employee’s abilities are tested as he/she works.

**Trigger** – cause, initiate. *According to the “bat-of-a-butterfly’s-wing” theory, a minor incident on a small Asian stock exchange can trigger a series of disasters on every major bourse in the world in a matter of hours.*

**Trough** - a term used to describe a transitional time between recession and recovery.

**Trust**  1 a firm belief in the reliability or truth or strength of a person or a thing.  
  2 an association of several companies for the purpose of reducing competition.

**Tumble** – fall suddenly or rapidly. *Stock prices tumbled yesterday after bad unemployment figures were released.*

**Turning point** – the moment (or the place on a graph) when a value starts going up after going down, or vice versa.

**Turnover** – how much money an operation yields (for a store : total sales).

**U**

**Unemployed** – without a job.

**Unemployment rate** - the number of unemployed people in comparison to the labor force. Expressed as a ratio.

**Union** - *trade union* – organisation which represents workers who are its members in discussions with employers about wages and conditions of employment.

**Unit trust** – (GB) see *mutual fund*.

**Upgrade**  
  v. improve (equipment, machines, computers) by replacing components.  
  n. improvement.

**US treasuries** – *US treasury bonds* – bonds issued by the US Treasury. See *Treasury*.

**Utilities** – public service companies, providing water, gas, electricity, or public transport.

**V**

**Value driver** – an important factor that is essential to a company’s profitability and value.

**Value-for-money** – money well spent, something worth the money it cost. *This computer is very good value-for-money = it gives good service for not too much money, it is money well spent.*

**VAT - Value Added Tax** - a tax levied on the value added at each stage of production in contrast to a sales tax or consumption tax levied only on the final selling price.

**Vending machine** – a coin-operated machine that dispenses small articles (cans of soft drinks, candy bars, cigarette packs).

**Vendor**  1 seller in a sale.  
  2 vending-machine.  
  3 an itinerant seller of small goods (*street vendor)*.

**Venture**  
  1 the act of taking a risk.  
  2 a commercial speculation.  
  3 undertaking, enterprise.

**Venture capital** - a form of capital that is sought by early-stage and start-up companies that are seeking rapid growth.

**Venture capitalist** – an investor willing to lend capital to a start-up company.

**Vertical acquisition, Vertical integration** - acquisition in which the acquired firm and the acquiring firm are at different steps in the production process (e.g. a car manufacturer buying one of its suppliers, or acquiring a network of dealerships and distributorships).

**Vertical merger** - a vertical merger occurs in the same industry between two firms that are in different stages of the production cycle.
Walkout 1 the act of leaving (walking out of) a meeting or a company as a sign of protest.
                          2 a labor strike.
Wall Street or the Street - common term used to describe the New York City financial district where the NYSE and AMEX are located. The opposite of Main Street.
Wages 1 the price of labour.
                          2 a fixed regular payment made on a daily or weekly basis by an employer to an employee, especially a manual or unskilled worker.
                          3 salary.
Warehouse 1 a building in which goods are stored.
                          2 (UK) a wholesale or large retail store.
Watchdog – in business, a person or organisation that makes sure legal and ethical guidelines are respected. A watchdog can be official (the SEC is the watchdog of securities trading in the US) or non-governmental (Postwatch, the independent watchdog for postal services in the UK, has recently merged with energywatch and the Welsh, Scottish and National Consumer Councils to form Consumer Focus).
Wealth – the state of being rich.
Wealth tax – a tax on personal capital.
Wealthy – rich.
Welfare 1 happiness, well-being, health and prosperity. Employee welfare is not a major concern for many companies.
                          2 the maintenance of people in comfort and well-being by a contribution from the state (welfare state).
                          3 (US) handouts to the poor as a form of social control. Too many people live on welfare. They must be encouraged back to work by welfare-to-work programmes.
Well-off – wealthy.
Well-to-do – financially comfortable, wealthy.
Whistleblower – one who reveals wrongdoings within a corporation to the public or the authorities. The Enron scandal started when an accountant began to blow the whistle about the financial cheating happening in the company.
White Knight – a friendly potential acquirer. When a company is the target of a hostile takeover bid, it seeks to be acquired (and rescued) by a white knight rather than by the attacker.
Wholesale – wholesaling consists in selling in large quantities, generally to retailers or corporate, not individual, customers. Opposite of retailing.
Wholesaler – a person or a company selling wholesale.
Withdraw 1 discontinue, cancel (withdraw support).
                          2 remove, take away (withdraw a defective product from stores).
                          3 take out of an account (withdraw cash).
Withdrawal – the act of withdrawing.
Word processor – a software used to write, correct, edit, print and store text. Word™ is the most widespread word processor.
World Bank – created along with the IMF in 1944 and opened in 1946. It is composed of three main branches: the International Bank for Reconstruction and Development (IBRD), the International Development Agency (IDA), and the International Finance Corporation (IFC). It aims to promote economic development in poor countries through advice and long-term lending.
**Worth** – value. get one’s money’s worth = to get good value-for-money, to get good service or a good product for a reasonable price. *I didn’t get my money’s worth* = I didn’t get what I paid for.

**WTO** – **World Trade Organisation** – established in 1995. The governing body of international trade, setting and enforcing the rules of trade.

**Y**

**Yield**  v. give in return (*a profitable investment yields high returns*).

n. the rate of return on an investment. The yield is usually expressed as a percentage of the current price.

**Z**

**Zero-stock** – an inventory management system aimed at reducing or eliminating any stock that is not being used, bought, or sold. Similar to *just-in-time*.

**Zero-sum game** - a situation where an individual can only gain at the expense of another. *Nobody wins unless somebody loses.*
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