




Key Vocabulary

Stakeholder – anyone with an interest in the business
Shareholder – someone who owns part of a company (LTD or PLC)
Employees – people who work for your business
Customer – someone who buys from your business
Manager – someone with a position of responsibility within a business organisation
Supplier – someone or a business that provides stock or materials to a business
Local community – the people who live around the business
Pressure group – an organisation that will campaign for something specific, e.g. workers rights, environmental protection
Government – political power that can set laws and regulations that a business must follow
Conflict – when stakeholders groups do not want the same thing from a business
e-commerce – buying and selling of goods/services online
m-commerce – using a mobile device to trade online
social media – interactive channels of communication, via words, photos or videos, such as blogs, Facebook or Instagram
digital communication – messages or conversations conducted via email, text or social media
digital payment systems – ways of paying electronically, e.g. online payments, contactless and mobile payments
debit card – a payment method where the money is taken direct from the customers bank account
credit card – a payment method where the business gets paid, but the consumer owes the money to a credit company
Legislation - laws
National Minimum Wage – the lowest amount an employee can be paid by law
National Living Wage – the minimum amount per hour for a 25-year-old or older
Equality Act 2010 – Main employment legislation that replaced lots of other laws. Makes it illegal to discriminate against anyone, e.g. because of race, religion, gender
Health & Safety at Work Act – law that helps to ensure that all risks to employees are minimised and properly controlled

Theme 1 – Investigating Small Business				
Topic: 1.5 Understanding External Influences on Business				
1.5.1 Business Stakeholders				
Who business stakeholders are and their different objectives: Shareholders (owners) Employees Customers Managers Suppliers Local community Pressure groups The government Stakeholders and businesses: How stakeholders are affected by business activity How stakeholders impact business activity Possible conflicts between stakeholder groups				
1.5.2 Technology & Business				
Different types of technology used by business: e-commerce Social media Digital communication Payment systems How technology influences business activity in terms of: Sales Costs Marketing mix				
1.5.3 Legislation & Business				
The purpose of legislation: Principles of consumer law: quality and consumer rights Principles of employment law: recruitment, pay, discrimination and health and safety				

The impact of legislation on businesses: Cost Consequences of meeting and not meeting these obligations			
1.5.4 The Economy & Business			
The impact of the economic climate on businesses: Unemployment Changing levels of consumer income Inflation Changes in interest rates Government taxation Changes in exchange rates			
1.5.5 External Influences			
The importance of external influences on business: Possible responses by the business to changes in: Technology Legislation The economic climate			

Consumer Rights Act – law that covers how goods and services are sold
Discrimination – treating one person differently to others because of a specific trait such as their gender
Red tape – the term for extra administration needed to meet legal requirements that affects the business acting as it wants to
Economic climate – overall performance of an economy
GDP – Gross Domestic Product. A measure of the total value of goods produced in an economy
Consumer income – the money an individual has left after paying taxes and essential living expenses
Unemployment – a measure of the number of people without a job who are actively seeking one
Corporation Tax – charge on the profits of a business
VAT – Value Added Tax. A charge on good sold
Income Tax – a tax paid by individuals from their wages / salaries
Inflation – a general rise in prices over time
Interest Rate – the charge for borrowing money or the reward for saving money
Exchange rates – the value of one currency against another
Recession – a period of economic downturn
Boom – a period of economic prosperity
Obsolete – out of date or not used anymore. An impact of not adapting to new technology

Sainsbury – bought Argos in 2016 to take advantage of their 'click and collect' service
Independent newspaper – now only online
Jaguar Land Rover – spread production across world to minimise effect of exchange rates

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