

Entrepreneurship © 2013

Chapter 2: Business Plan

Tools:

- Printer
- 8.5" x 11" paper
- Scissors

Directions:

1. Print
2. Fold paper in half vertically
3. Cut along dashed lines

brainstorming

Group discussion where individuals generate as many ideas as possible within a set amount of time.

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01 of 26 E-Flash Cards



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business operations

Day-to-day activities necessary to keep a business up and running.

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business plan

Written document that describes in detail the strategy for creating a new business.

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business risk

Possibility of loss or injury that might occur while running a business.

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contingency plan

Written plan of action to ensure a positive and rapid response to a changing situation.

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economic resources

Limited amount of resources with which a country creates products and provides services.

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economics

How people, governments, and companies make choices about using limited resources to satisfy unlimited wants.

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feasible

Something can be done successfully.

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franchise

Right to sell a company's goods or services in a particular area.

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manufacturer

Turns raw materials from natural resources or product components into new products for sale.

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market structure

How a market is organized and is based on the number of businesses competing for sales in an industry.

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mission statement

Message to the customer as to why you are in business.

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monopoly

Market structure with one business that has complete control of a market's entire supply of goods or services.

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need

Something that is necessary for survival, such as air, water, food, clothing, and shelter.

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oligopoly

Market structure with a small number of large companies selling the same or similar products.

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opportunity cost

Cost of passing up the next best choice when making a decision.

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pro forma financial statements

Financial statements based on the best estimate of the business' future sales and expenses.

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product mix

All the goods and services that a business sells.

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retailer

Buys products either from wholesalers or directly from manufacturers and resells them to consumers.

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risk management

Process for identifying, assessing, and reducing risks of different kinds.

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sources of funds

Document summarizing where the start-up funding comes from for a new business.

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start-up capital

Cash used to start the business.

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supply and demand

Economic principle relating the quantity of products or services available to meet consumer demand.

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vision statement

Overall goal for the company's future.

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want

Something that a person desires but could function without, such as a new cell phone or a vacation.

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wholesaler

Purchases large amounts of goods directly from manufacturers for sale to various retailers.

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