Accounting, banking, and finance careers all fall under the ***Finance*** Career Cluster. For simplicity, we will address the cluster ***finance*** in the objective, but discuss activities and careers in all three areas—accounting, banking, and finance.

1. **Accounting &Finance Career Cluster*(1.01)***
	1. What is **accounting**?
		* 1. Method of reporting financial activity of a business in an orderly fashion

***Accounting Equation***: **Assets = Liabilities + Owner's Equity**

* + - 1. It is the "language" of business—used to communicate financial information
			2. Businesses prepare **financial statements** to help them analyze their finances

**Balance Sheet**—reports assets, liabilities, and owner's equity on a certain date

**Income Statement**—reports revenue, expenses and net income or loss for the fiscal period

**Statement of Change in Owner's Equity**—reports the changes in the owner's equity account during the fiscal period

* 1. What is **banking**?
		+ 1. The business of keeping money for savings and checking accounts or for issuing loans and credit.
			2. Banking services include receiving deposits of money and lending money.
	2. What is **finance**?
		+ 1. Acquiring, investing, and managing money.
			2. Finance involves the management of money, credit, banking and investments.
	3. What *activities* are performed by people who work in accounting, banking, and finance?
		+ 1. Accounting Activities are related to orderly record-keeping of financial data.
		+ Recording daily financial transactions
		+ Preparing financial statements
		+ Auditing financial records
		+ Preparing tax forms
		+ Preparing payroll checks
		+ Paying bills
		+ Reconciling the checkbook with the bank statement
			1. Banking Activities occur in banks, credit unions and savings and loans.
		+ Accepting deposits and processing withdrawals
		+ Preparing money orders and cashier’s checks for customers
		+ Opening new accounts for customers
		+ Processing loan applications
			1. Finance Activities are related to investments and managing finances.
		+ Analyzing budgets
		+ Buying and selling stock and other securities
		+ Selling insurance
		+ Consulting with businesses on financial matters
		+ Counseling investors
		+ Managing company finances
	4. What are some accounting and finance careers?
	+ Accountant
	+ Auditor
	+ CPA
	+ Bookkeeper
	+ Bank teller
	+ Investment Counselor
	+ Stock Broker
	+ Corporate Banker
	+ Insurance Representative
	+ Financial Manager

Accounting & Finance Key Terms Defined

|  *Term* | ***Definition*** |
| --- | --- |
| **Accounting/Finance Activities** |
| Accounting | The system of recording and reporting financial activity and transactions.  |
| Audit | A formal examination of a company’s financial records for accuracy and compliance with regulations.  |
| Budget | A plan that shows what you expect to earn and spend in a certain period of time. |
| **Financial Statements** |
| Financial Statements | A written report which describes the financial health of a company; prepared on a quarterly and annual basis.* BalanceSheet, Income Statement, Statement of Changes in Owner's Equity
 |
| Balance Sheet | A report showing all assets, liabilities, and owner’s equity of a business as of a specific date. |
| * Assets
 | Things (items) owned by a company. |
| * Liabilities
 | Money owed by the business (debts, accounts payable) |
| * Owner's Equity
 | Net worth of the business |
| Income Statement | A report showing the revenue, expenses, and income (or loss) of a business for a specific period of time. |
| * Revenue
 | The amount of money that a company earns |
| * Profit
 | Results when a business' income is greater than its expenses. |
| * Expenses
 | Costs of maintaining and operating a business. |
| * Loss
 | Results when a business' expenses are greater than its income. |
| * Fiscal Period
 | The specific period of time covered by an accounting statement or report (1 month or year) |
| * Statement of Change in Owner's Equity
 | Financial statement that reports the changes that have occurred in the owner's equity account during the fiscal period. |
| **Accounting/Finance Careers** |
| Financial Manager | Top-level professional who may have final responsibility for one of many aspects of a business’s financial activity, from accounting and taxation to preparing financial reports and supervising various financial departments of a company. |
| Accountant | A professional who produces and examines financial records, prepares financial reports and tax returns, and may give budget, tax, or investment advice to the company or customer. Some accountants have their own businesses and work for many clients, and others may work within the financial department of a company. |
| Certified Public Accountant (CPA) | Accountants who meet specific educational requirements and pass a national examination. |
| Auditor | A professional whose work mainly involves checking on the accuracy of work performed by bookkeepers and accountants, and checking to be sure a company is following all financial laws and regulations.  |
| Bank Teller | Worker who handles bank deposits and withdrawals, sell traveler’s checks and foreign currency, accept loan payments, prepare certified checks or money orders, and may handle other duties. |

Math in Accounting

Use your knowledge of math to complete the following problems.

**I. The Accounting Equation**

**Assets = Liabilities + Owner's Equity**

1. If Assets are $5,000 and Liabilities are $3,000, what is Owner's Equity?

**$2,000**

1. If Assets are $8,000 and Owner's Equity is $2,000, what are Liabilities?

**$6,000**

1. If Liabilities are $4,000 and Owner's Equity is $1,500, what are Assets?

**$5,500**

**II. The Income Statement**

**Net Income (or Loss) = Total Revenue – Total Expenses**

1. Compute the Net Income or Net Loss in the portion of the Income Statement. State whether the value is a net income or a net loss.

|  |  |  |
| --- | --- | --- |
| **Income Statement****Revenue** |  |  |
| Sales | $ 6,000 |  |
| Total Revenue |  | $ 6,000 |
|  |  |  |
| **Expenses** |  |  |
| Costs | $ 3,500 |  |
| Total Costs |  | $ 3,500 |
|  |  |  |
| **Net Income or Loss** |  | **$2,500** |
|  |  | **Net Income** |

Math in Accounting, Page 2

5.

|  |  |  |
| --- | --- | --- |
| **Income Statement****Revenue** |  |  |
| Sales | $ 5,000 |  |
| Total Revenue |  | **$5,000** |
|  |  |  |
| **Expenses** |  |  |
| Rent Expense | $ 1,500 |  |
| Equipment Expense | 2,500 |  |
| Total Expenses (Costs) |  | **$4,000** |
|  |  |  |
| **Net Income or Loss** |  | **$1,000** |
|  |  |  |

 **Net Income**

6.

|  |  |  |
| --- | --- | --- |
| **Income Statement****Revenue** |  |  |
| Sales | $ 3,000 |  |
| Interest Income | 500 |  |
| Total Revenue |  | **$3,500** |
|  |  |  |
| **Expenses** |  |  |
| Utility Expense | $ 1,000 |  |
| Rent Expense | 2,000 |  |
| Telephone Expense | 700 |  |
| Total Expenses |  | $3,700 |
|  |  |  |
| **Net Income or Loss** |  | **($200)** |

 **Net Loss**

 **Classify Finance Activities**

 Classify each activity on the right as an

* Accounting Activity
* Banking Activity
* Finance Activity.

|  |  |
| --- | --- |
| **Type of Activity** | **Activity** |
| **Finance Activity** | Sarah is purchasing IBM stock for a customer. |
| **Accounting Activity** | James is keying daily transactions into the computer. |
| **Accounting Activity** | Michael is performing an audit to check the accuracy of his company's financial records. |
| **Banking Activity** | Megan is completing paper work for a car loan for one of her customers. |
| **Accounting Activity** | Anna is keying data and printing the pay checks for the company employees. |
| **Finance Activity** | Samuel is meeting with a customer to sell her life insurance. |
| **Banking Activity** | Martha is accepting cash from a customer to deposit in the customer's savings account. |
| **Accounting Activity** | Nan is keying data into the computer to complete and submit the company tax forms. |
| **Finance Activity** | Rick is meeting with customers to advise them about their investments. |
| **Banking Activity** | Jack is printing a money order for a customer. |
| **Accounting Activity** | Amy is preparing the quarterly balance sheet and income statements. |
| **Finance Activity** | Steve is analyzing the Z Company budget to see how the company can save money. |
| **Accounting Activity** | Zoe is comparing the company checkbook with the bank statement to reconcile it. |
| **Finance Activity** | Catherine is meeting with X Company officials to counsel them on their investments.  |
| **Accounting Activity** | Ned is printing checks to pay utilities for his company. |
| **Banking Activity** | Perry is completing the paperwork for a home loan for one of his clients. |

1. **Business Management Career Cluster*(1.02)***
	1. The Business Management and Administration Career Cluster contains career opportunities in the fields of Business Management and Business Administration. For the scope of this course, students will focus on Business Management Careers.
	2. What is **business management**?
		* 1. Direct control of a business or enterprise; working with people and using resources effectively and efficiently to accomplish organizational goals

**Managers** are found in every business, large or small

The **manager** makes sure the organization meets its goals and obligations

* 1. Levels of Business Managers
		+ 1. Top-Level Managers

Examples: president, vice president, and CEO

Usually consist of a small group of people or even one person

Set goals and plan for the future

* + - 1. Middle-level Managers

Examples: plant managers and department heads

Carry out the decisions of top-level management

Plan and control an operation

* + - 1. First-line Managers (or Supervisory/Operational Managers)

Examples: team leaders, coaches, or unit coordinators

Responsible for the day-to-day activities of operational employees

* 1. What *activities* are performed by people who work in management? Business management activities are classified as one of the four functions of management—Planning, Organizing, Leading, and Controlling.
		+ 1. **Planning**

Setting company goals

Deciding what must be done (top-level managers)

Deciding who will do what

Deciding how the work will be grouped

* + - 1. **Organizing**

Assigning managers different tasks

Coordinating activities.

Knowing what the other managers are doing

* + - 1. **Leading** – Good management requires good leadership.

Creating a vision for the company

Setting standards

Communicating the company’s goals to employees

Providing guidance

Resolving conflict among employees

* + - 1. **Controlling**

Keeping the company on track

Making sure all goals are met

* 1. What are some business management and administration careers?

|  |  |
| --- | --- |
| * Administrative Services Manager
 | * Loan Officer & Counselors
 |
| * Construction Manager
 | * Health Service Manager
 |
| * Education Administrators
 | * Hotel Manager
 |
| * Farm Operation & Manager
 | * Human Resources (H.R.) Manager
 |
| * Funeral Directors
 | * Public Relations Manager
 |

***Please note:*** *Other careers such as auditors, budget analysts, and marketing managers are included in the specific objective that deals with those careers.*

 **Selected Business Management Careers**

| Job Title | Job Description |
| --- | --- |
| **Administrative Services Manager** | The primary duty is managing support services for various organizations, from large government agencies to small businesses. These workers help organizations work efficiently.  |
| **Construction Manager** | The person responsible for the execution of a construction project. Construction managers must be available—often 24 hours a day—to deal with delays, bad weather, or emergencies at the jobsite. |
| **Education Administrator** | Education administrators organize and oversee administrative activities and systems that support and facilitate the smooth running of an education institution. |
| **Farm Operator & Manager** | Manage the day-to-day activities of one or more farms, ranches, nurseries, timber tracts, greenhouses, and other agricultural establishments. Their duties and responsibilities vary widely, but focus on the business aspects of running a farm. |
| **Funeral Director** | A professional who prepares for the burial or other disposition of dead human bodies, supervises such burial or disposition, maintains a funeral establishment for such purposes, counsels with survivors. Also called a mortician. |
| **Health Service Manager** | Health services managers, also referred to as *health care executives* or *health care administrators*, plan, direct, coordinate, and supervise the delivery of health care. |
| **Hotel Manager** | A hotel manager is responsible for the day-to-day management of a hotel and its staff and for planning, organizing and directing all hotel services, including front-of-house (reception, concierge, and reservations), banqueting and housekeeping. |
| **Human Resources (H.R.) Manager** | A human resources manager is responsible for managing and overseeing the personnel department within a company, organization or agency. This includes posting advertisements or approving advertisements for new employees, screening résumés and applications, setting interview appointments and being involved in the hiring process. |
| **Loan Officer & Counselor** | Loan officers work for banks and other financial institutions. They help individuals and businesses obtain funds from these lenders. |
| **Public Relations Manager** | PR Managers evaluate advertising and promotion programs for compatibility with public relations efforts and serve as the eyes and ears of top management. They observe social, economic, and political trends that might ultimately affect the firm, and they make recommendations to enhance the firm’s image on the basis of those trends. |

1. **Information Technology Cluster*(1.03)***
	1. What is Information Technology?
		* 1. Information technology- Technology that enables information to be used to produce products and services.
			2. People who work in the information technology area work with hardware and/or software.

**Hardware**- the physical parts of the computer.

**Software**-Programs on the computer with written commands that tell a computer what tasks to perform.

* + - 1. Operating/ Systems- Example: Windows XP, Linux OS, Vista
			2. Application- performs a specific function. Examples: MS Excel, MS Word
			3. Computer systems are connected by networks. People communicate through these networks.

**Network**- a system of computers, peripherals, terminals, and databases connected by communication lines.

* + - 1. LAN- Local Area Network- a computer network covering a local area.
			2. WAN- Wide area network- a geographically dispersed telecommunications network.

**Internet**- global networks connecting millions of computers.

* 1. What *activities* are performed by people who work in Information Technology?
		+ 1. Troubleshooting and Support- this would include help desk technicians and service workers.
			2. Programming- writing codes for computer software,
			3. Designing- designing computers and their computational processes, creating web pages, software programs, or communicating multimedia via a computer using audio, video, texts, graphics, animation, etc. etc.
			4. Analyzing- modifies computer systems to improve production and workflow or expanding systems to serve new purposes.
			5. Networking- connecting two or more computers together with the ability to communicate with each other.
			6. Managing- monitoring and controlling computer systems in a company or organization.
	2. What are some careers in Information Technology?

|  |  |
| --- | --- |
| * Computer Engineer
 | * Systems Analyst
 |
| * Computer Operator
 | * Multimedia Designer
 |
| * Systems Administrator
 | * Help Desk Technician
 |
| * Computer Programmer
 | * Technical Writer
 |
| * Software Designer
 | * Webmaster
 |

IT Worksheet

1. What are the 3 types of personal computers?

 Desktop, Notebook/Tablet, Laptop

1. List 5 pieces of hardware in the slide show.

Answers may vary but include: Monitor, Hard Drive, Mouse, Keyboard, Scanner, Printer, Modem

1. What is the definition of hardware?

 The physical parts of the computer

1. What is the function of a modem?

 The modem connects the computer to the Internet.

1. What are the 2 categories of software?

 Systems

 Applications

1. What is the function of these 3 types of application software?
	* Word Processing-

 Allows you to create, edit and print text documents

* + Spreadsheet-

Has rows and columns that allow you to perform mathematical calculations in chart form.

* + Database-

Serves as an electronic filing system

1. Name a type of Multimedia software.

 MS PowerPoint

1. What is multimedia?

The use of audio, video, animation, and/or graphics

1. Name a type of Desktop Publishing software.

MS Publisher

1. What are smart boards used for?

The Smart Board connects to the computer; the finger can then control the computer during presentations.

1. What does PDA stand for?

 Personal Data Assistant

1. What does RAM stand for?

 Random Access Memory—temporary memory

1. What does CPU stand for?

 Central Processing Unit—the brains of the computer

1. What does desktop publishing software do?

 Allows you to create flyers, brochures, business cards, newsletters, signs, etc

1. What are the 4 parts of the “Information Processing Cycle”?

 Input device, CPU, output device, storage

1. Name 3 input devices.

 Answers may vary but include: Keyboard, mouse, touch screen, scanner, microphone.

1. Name the 3 most common output devices.

 Monitor, printer, speakers

1. List 3 forms of storage.

 CD ROM, 3 ½" Floppy Disk, External Storage (Jump Drive)

1. What are 3 services the Internet offers?

Answers may vary and include: email, online shopping, instant messaging, games, and information.

1. What is a network?

A system of computers, peripherals, terminals, and databases connected by communication lines

 **Information Technology Key Terms**

|  |  |
| --- | --- |
| ***Term*** | ***Definition*** |
| **IT Terminology** |
| Information Technology | Technology that enables information to be used to produce products and services. |
| Hardware | The physical parts of the computer. |
| Software | Programs on the computer with written commands that tell a computer what tasks to perform. |
| Internet | Electronic information networks that carry audio, video, and computer data. |
| Network | A system of computers, peripherals, terminals, and databases connected by communication lines. |
| **Careers in Information Technology** |
| Computer Engineer | A profession that involves the understanding and design of computers and computational processes. |
| Computer Operator | The person responsible for monitoring and controlling computer systems in a company or organization. |
| Systems Administrator | A person employed to maintain and operate a computer system or network for a company or other organization. |
| Computer Programmer | The person who writes codes for computer software. |
| Software Designer | A person who designs, creates, and maintains software. |
| Systems Analyst | A programmer who designs and manages the development of business applications on the computer. |
| Multimedia Designer | People who work in communicating a concept or information via a computer using audio, video, text, graphics, animation, etc. |
| Help Desk Technician | Persons responsible primarily for supporting end-user software applications, normally done remotely via telephone. |
| Technical Writer | A person who creates technical documentation and user guides for a professional field. |
| Webmaster | The person responsible for maintaining and updating a website. |

1. What does “IT” stand for?

Information Technology; it is the use of computers and software to manage information.

1. In addition to computers, what 3 technologies do IT departments use?

Servers

Database management systems

Cryptography

1. List 5 popular IT skills.

Computer Networking

Information Security

IT Governance

Business Intelligence

Linux

Unix

Project management

1. List 3 current IT certifications.

Information Security

Oracle Database Administrator

Microsoft

Cisco

1. List 4 common IT jobs.

Network Engineer Database Administrator

Network Administrator Chief Information Officer

System Administrator

1. What 3 companies are currently hiring Network Engineers?

Cisco Systems

Microsoft Corporation

Google

1. What 3 companies are currently hiring Database Administrators?

Microsoft Corporation

Sun Microsystems

Cisco Systems

Oracle Corporation

1. What does a Network Administrator do?

A network administrator is a professional in charge of the computer hardware and software systems that make up a computer network; tasks include deployment, configuration, maintenance, and monitoring of network equipment.

1. What is currently the highest paying certification in the IT industry?

Project Management Professional (2014)

1. What are two trends in IT? Information Security and Cloud Computing
2. **Marketing Cluster*(1.04)***
	1. What is marketing?
		* 1. Marketing is a means by which products or services are developed, priced, distributed, and promoted to customers.
			2. What *activities* are performed by people who work in marketing? The activities or functions performed in marketing can be classified as part of the Marketing Mix **(or the 4 P’s of Marketing)—*Product, Place, Pricing,* and *Promotion.***

**Product- Research** and development of products. This involves the study of consumer groups and competitors, using:

* + - 1. Market Survey- wants and needs of consumers must be determined before creating the product.
			2. Demographics- characteristics of the human population or specific segments of the population

**Place**- Involves distributing products in the marketplace

**Pricing** of products based on:

1. Competition- Similar businesses providing products or services to your potential customers.
2. Supply and Demand
3. **Promotion** of Products Advertising- a sales presentation communicated through some of type of media to influence a large number of consumers.
4. Merchandising- activities designed to promote in-store sales, including shelf layout, counter cards, mobiles, point of purchase displays, events
5. E-marketing (AKA E-tailing)-Achieving marketing objectives through use of electronic communications technology.
6. Public Relations-Communication with various sectors of the public to influence their attitudes and opinions in the interest of promoting a person, product, or idea.

What are some marketing careers?

|  |  |
| --- | --- |
| * Fashion Merchandising
 | * Sports and Entertainment Marketing
 |
| * Travel and Tourism
 | * Sales Manager
 |
| * Marketing Management
 | * Telemarketer
 |
| * Market Researcher
* Salesperson
* E-Marketing
 | * Buyer
 |
|  | **Marketing Key Terms Defined**1. What are the 5 “Areas to explore of Marketing”?
* [Advertising & Public Relations](http://www.careers-in-marketing.com/ad.htm)
* [Market Research](http://www.careers-in-marketing.com/mr.htm)
* [Non-Profit](http://www.careers-in-marketing.com/np.htm)
* [Product Management](http://www.careers-in-marketing.com/pm.htm)
* [Retailing](http://www.careers-in-marketing.com/rt.htm)
1. Briefly describe “advertising and public relations”

Advertising is the process of running or managing promotional campaigns on radio, TV, the Internet and billboards.Public relations professionals manage the perception of products, companies and non-profits.1. What does a “market researcher” do?

A market researcher figures out what "drives" people to make purchases. These researchers use statistical analysis, surveys, focus groups, and new product tests to gather data to achieve success for a product.1. What are “product managers” responsible for?

Product managers are responsible for the marketing and development of products such as cars, insurance policies and sporting goods. They position a product and develop promotional campaigns for the product.1. What is “retailing?” And “e-tailing?”

Retailing is the selling and buying of goods for sales; it also includes store management.e-Tailing is online retail (using the Internet).1. After your research of this site, what is your definition “marketing?”

Answers will vary.1. List 5 types of “salespersons.” Answers may vary
* Retail salespersons
* Clothing salespersons
* Automobile salespersons
* Grocery sales clerks
* Hotel front-desk clerks
1. List 5 “merchandising” jobs. Answers may vary
* Sales worker supervisors
* Coin and vending machine services and repairers
* Clothing, accessories, and general merchandise stores
* Purchasing managers
* Fashion designers
* Textile and apparel manufacturing
1. List 5 types of “sales management” jobs. Answers may vary
* Local and regional sales management
* Department store sales management
* Insurance sales management
* Advertising sales management
* Financial sales management
* Internet services sales management
1. Type in a search for “marketing,” and click into some of the jobs you found to learn more. List 5 marketing jobs that interest you.

Answers will vary. Students must list 5 marketing jobs. |

| ***Term*** | ***Definition*** |
| --- | --- |
| **Marketing Terminology** |
| Market | The world of commercial activity where goods and services are bought and sold; includes customers and location a business wants to serve. |
| Marketing | Means by which products or services are developed, priced, distributed, and promoted to customers. |
| Marketing mix | Combination of the 4 P's—Product, Place, Price, Promotion. |
| Target market | A group of individuals or organizations with similar traits who may purchase a particular product. |
| Product | A good or service that can satisfy consumer needs. |
| Place | The location of the business; also includes business activities that involve physical distribution, such as transporting goods, handling the goods, storing the goods, and keeping track of the goods. |
| Price | The amount of money needed to purchase something. |
| Promotion | The act of informing or reminding consumers about a specific product or brand. |
| **Careers in Marketing** |
| Fashion Merchandising | Involves all activities related to the development, buying, and selling of merchandise associated with apparel production, selection and coordination, fibers and fabrics, computer aided design, product compatibility, product development, quality assessment and control. |
| Travel and Tourism | The industry involved in providing services to support travel, mainly recreational or for leisure purposes. |
| Marketing Management | The management of a firm's marketing resources and activities. Marketing managers are often responsible for influencing the level, timing, and composition of customer demand in a manner that will achieve the company's objectives |
| Market Researcher | A person who accumulates and analyzes data in order to make a particular marketing decision. Market researchers determine what motivates people to buy specific products. |
|  Salesperson | A [person](http://www.wordwebonline.com/en/PERSON) [employed](http://www.wordwebonline.com/en/EMPLOYED) to [represent](http://www.wordwebonline.com/en/REPRESENT) a [business](http://www.wordwebonline.com/en/BUSINESS) and to [sell](http://www.wordwebonline.com/en/SELL) its [merchandise](http://www.wordwebonline.com/en/MERCHANDISE). |
|  |  |
|  |  |
| Sports and Entertainment Marketing | Involves determining the sports and entertainment interests of the consumer and planning a product or service that the spectator will buy.  |
| Sales Manager | An individual who manages a group of sales representatives. |
| Telemarketer | A person who uses the telephone for promoting and selling products. |
| Buyer | One who makes bulk purchases on behalf of a retailer or wholesaler. |
| e-Marketing | e-Marketing, also referred to as *Internet marketing or online marketing* is the marketing of products or services using the Internet. |

1. **Small Business and Entrepreneurship *(1.05)***
	1. What is a **small business**?
		* 1. A business that is independently owned and operated.
			2. The business must employ 100 or fewer employees.
	2. What is **entrepreneurship?**
		* 1. **Entrepreneurship** is the process of starting and operating one’s own business.
			2. An **Entrepreneur** is an individual who undertakes the risk associated with creating, organizing, and owning a business.
			3. Most **business ideas** begin from hobbies and/or skills.
			4. Businesses may be organized as a **sole proprietorship**, **partnership**, **corporation**, or **franchise**.
	3. What *activities* or *functions* do small business managers and entrepreneurs perform?
		* 1. **Financial Management**: Manage cash flow, keep accounts, design budgets, monitoring accounts
			2. **Human Resource Management**: Hire and terminate employees, provide training, motivate employees
			3. **Information Management**: Research and interpret data, make decisions based on data
	4. What *activities* or *functions* do small business managers and entrepreneurs perform?
		* 1. **Financial Management**: Manage cash flow, keep accounts, design budgets, monitoring accounts
			2. **Human Resource Management**: Hire and terminate employees, provide training, motivate employees
			3. **Information Management**: Research and interpret data, make decisions based on data
			4. **Marketing**: Develop advertising plans - promotions, perform market research
			5. **Operations Management**: Organize work flow, design schedules, develop policies and procedures
			6. **Risk Management**: Develop strategies to avoid risk, reduce the negative effects of risk, manage risk
			7. **Strategic Management**: Responsible for profit and loss outcomes, develop forecast models, track industry trends, etc.
	5. What are some career opportunities in small business management and entrepreneurship?

|  |  |
| --- | --- |
| * Construction Contractor
 | * Personal and home care aides
 |
| * Management Analyst
 | * Animal care workers
 |
| * Computer Support Specialist
 | * Education Consultants
 |

# MCBD04896_0000[1]Small Business & Entrepreneurship Key Terms

|  |  |
| --- | --- |
| ***TERM*** | ***DEFINITION*** |
| **Entrepreneurship Terms** |
| **Business plan** | A proposal that describes a new business |
| **Demographics** | Data that describes a group of people in terms of their age, marital status, family size, ethnic background, gender, education, and income |
| **Entrepreneur** | An individual who undertakes the risk associated with creating, organizing, and owning a business. |
| **Entrepreneurship** | The process of starting and operating one’s own business. |
| **Free Enterprise System**  | A system where businesses are owned by private individuals and groups, not by the government. Also called a Market Economy. |
| **Opportunity** | An idea that has commercial value. |
| **Risk** | The chance of damage or loss. |
| **Venture** | A business undertaking involving risk. |
| **Forms of Business Organization** |
| **Sole Proprietorship** | A business owned and operated by one person. |
| **Partnership** | A form of business ownership where two or more individuals share assets, liabilities, and profits. |
| **Corporation** | A business that is chartered by the state and legally operates apart from its owners. Corporations are owned by stockholder but run by a CEO. |
| **Franchise** | The right to sell a company’s goods or services in a particular geographic area. |
| **Retail Business** | A type of business that sells products directly to consumers**.** |
| **Non-profit** | An organization that is set up to help those in need but not to make a profit from the business. |
| **Service business** | Work done for others for a profit. |

**Classify Business Functions of an Entrepreneur**

In the chart below, classify each activity by identifying which business function of an entrepreneur the activity represents. Remember that the business functions are: financial management, human resource management, information management, marketing management, operations management, risk management, and strategic management.

|  |  |
| --- | --- |
| **Activity** | **Business Function** |
| Susan owns and runs a small art studio. As owner, she hires and trains employees for the shop. | Human Resource Management |
| Jonathan is securing funds to expand his pet-sitting business. | Financial Management |
| Mary just purchased fire and property insurance for her florist shop. | Risk Management |
| William uses computer software to help him analyze data about his lawn care business. | Information Management |
| Johnise prepared a short newspaper ad to expand her baby sitting business. | Marketing Management |
| As the sole employee of his fish tank cleaning business, Mark handles all the daily business functions. | Operations Management |
| Anna has just prepared a balance sheet to use in applying for a loan. | Financial Management |
| Bruce installed security cameras to reduce theft in his automotive repair shop. | Risk Management |
| Jenny understands and uses sound business strategies to plan for the growth of her web design business. | Strategic Management |
| Ned completed a research study of the demographics of the town in which his limousine service will be located. | Marketing Management |
| Beth created a database to collect customer information for her bed and breakfast. | Information Management |