

Business Math Terms Study Sheet 1

1. Percent A way of expressing a number as a fraction of 100.
2. Profit The amount of money gained from selling goods or services after all costs are subtracted.
3. Gross profit The difference between revenue and the cost of goods sold.
4. Interest The fee charged by a lender to a borrower for the use of borrowed money.
5. Revenue The total amount of money a business earns from its goods or services.
6. Expense The money spent or required to be paid for something.
7. Budget A plan for managing income and expenses over a certain period of time.
8. Investment Putting money into something with the expectation of making a profit in the future.
9. Depreciation A decrease in the value of an asset over time.
10. Invoice A document that lists items or services provided, their prices, and the total amount owed.
11. Discount A reduction in the price of goods or services.
12. Inventory The goods and materials a business holds for the ultimate purpose of resale.
13. Sales tax A tax imposed by the government on the sale of goods and services.
14. Principal The amount of money borrowed or invested, excluding any interest or dividends.
15. Assets Items of value owned by a person or business.
16. Liability The legal responsibility or obligation to pay debts.
17. Gross income The total income earned before deductions such as taxes or expenses.
18. Net income The amount of money left after all deductions have been made from gross income.
19. Break-even point The level of sales at which total revenue equals total costs.
20. Entrepreneur A person who starts and manages a business, taking on financial risks in the hope of profit.