

# Business Math Terms Study Sheet 4

1. Return on investment A measure of the profitability of an investment relative to its cost.
2. Revenue stream The sources of income for a business.
3. Shareholder An individual or institution that owns shares in a company.
4. Sole proprietor A person who owns and operates a business by themselves.
5. Time value of money The principle that money received today is worth more than the same amount in the future.
6. Underwriter A person or company that evaluates and assumes the risk of another entity for a fee.
7. Warranty A guarantee provided by a seller that a product will meet certain standards.
8. Inflation The rate at which the general level of prices for goods and services is rising.
9. Financial statement analysis The process of analyzing a company's financial statements to assess its financial performance.
10. Capital expenditure Money spent by a business to acquire or improve fixed assets.
11. Cash flow statement A financial statement that shows the flow of cash into and out of a business over a period of time.
12. Collateral Property or other assets that a borrower offers as security for a loan.
13. Dependent variable A variable whose value depends on that of another.
14. Independent variable A variable that stands alone and isn't changed by the other variables you are trying to measure.
15. Entrepreneurial mindset A way of thinking that enables individuals to identify and pursue opportunities.
16. Invoice date The date on which an invoice is issued.
17. Invoice number A unique identifier assigned to each invoice.
18. Marketing mix The combination of factors that a company uses to promote its products or services.
19. Price elasticity A measure of how sensitive the quantity demanded of a good is to a change in its price.
20. Overhead The ongoing expenses of operating a business that are not directly tied to production.