BUSINESS

Key terms in business

Entrepreneur	A person who takes a risk to set up and run a business.
Revenue	The money a business earns from selling its goods or services (price × quantity sold).
Fixed costs	Costs that stay the same however much is made or sold, such as rent.
Variable costs	Costs that change with output, such as materials.
Profit	Revenue minus total costs. A negative figure is a loss.
Break-even	The level of sales where revenue equals total costs, so there is no profit and no loss.
Sole trader	A business owned and run by one person, who is personally responsible for its debts.
Private limited company	A business owned by shareholders, whose risk is limited to the money they put in.
Stakeholder	Anyone affected by, or with an interest in, a business, such as customers, staff or owners.