DPS-MODERN INDIAN SCHOOL, DOHA, QATAR

ENTREPRENEURSHIP PROGRAMME

ENTREPRENEURSHIP JARGON BANK

1. **Angel Investor**
   An angel is a type of investor, usually a wealthy individual, who will take a share of your business in return for financial support. They invest money as an individual or in a group in early stage businesses.

2. **Assets**
   Assets refers to everything a company owns. They are the economic resources it uses to increase sales, reduce costs or otherwise generate value for the owners. For example, buying computers and software for office workers can speed up daily tasks, increasing productivity.

3. **Balance Sheet**
   A balance sheet is a financial statement that reports a company's assets, liabilities, and shareholder equity.

4. **Breakeven**
   The amount of sales a business needs to make to cover all its costs.

5. **Budget**
   Budget is an estimation of revenue and expenses over a specified future period of time and is usually compiled and re-evaluated on a periodic basis. Budgets can be made for a person, a group of people, a business, a government, or just about anything else that makes and spends money.

6. **Budget Deficit**
   A budget deficit occurs when expenses exceed revenue and can indicate the financial health of a country. The term is commonly used to refer to government spending rather than businesses or individuals.

7. **Business to business (B2B)**
   If a product or service's target customer is a company or organization, then the company is a B2B.

8. **Business to consumer (B2C)**
   If the customer for the product is an individual, then the company is a B2C.

9. **Business Cycle**
   Business cycle is a type of fluctuation found in the aggregate economic activity of a nation that consists of expansions (boom) occurring at about the same time in many economic activities, followed by similarly general contractions (recessions). This sequence of changes is recurrent but not periodic.

10. **Capital Expenditure**
    Money spent on buying or improving items that will be owned by a business for a long time, for example, buildings or equipment.

11. **Cashflow**
    Refers to the money flowing in and out of a business.

12. **Cost of Goods Sold (COGS)**
    Cost of goods sold (COGS) refers to the direct costs of producing the goods sold by a company. This amount includes the cost of the materials and labor directly used to create the good. It excludes indirect expenses, such as distribution costs and sales force costs.

13. **Credit (CR)**
    An accounting entry that may either *decrease* assets or *increase* liabilities and equity on the company's balance sheet, depending on the transaction.

14. **Crowdfunding**
    Crowdfunding is the practice of raising money online through many small donations from regular people, rather than one larger amount from an investor.

15. **Crowdsourcing**
    Crowdsourcing engages a larger crowd for a common goal allowing the business to access a wide variety of skills and experience.

16. **Debit (DR)**
    An accounting entry where there is either an *increase* in assets or a *decrease* in liabilities on a company's balance sheet.

17. **Disruptive technology**
    If a product or service is going to change the entire way an established industry, community, or society operates, then it can be described as disruptive.

18. **Dividend**
    A dividend is the distribution of a company's earnings to its shareholders. It is determined by the company's board of directors. Dividends are often distributed quarterly and may be paid out as cash or in the form of reinvestment in additional stock.

19. **Fixed Costs**
    Costs that stay the same, regardless of how many sales a business makes, for example, rent.

20. **Gross Profit**
    Gross profit is the profit a company makes after deducting the costs associated with making and selling its products, or the costs associated with providing its services. Gross profit will appear on a company's income statement and can be calculated by subtracting the cost of goods sold (COGS) from revenue (sales). Gross profit may also be referred to as sales profit or gross income.

21. **Intrapreneur**
    Someone who takes on entrepreneur-like ventures within a large corporate environment.

22. **Insolvency**
    A state where an individual or organization can no longer meet financial obligations with lender(s) when their debts come due.

23. Intellectual property (IP)

It refers to creations of the mind used in buying and selling, for example, inventions, creative work, names and images. IP is protected by law and enables people to earn recognition for their creativity.

24. Joint-stock company

A joint-stock company is a business owned by its investors, with each investor owning a share based on the amount of stock purchased.

25. KPI (Key performance indicators)

It stands for key performance indicators, the metrics by which startups judge their performance, progress and targets. Some of the most common KPIs include customer acquisition cost, customer lifetime value, monthly and annually recurring revenue.

26. Liability

A liability is something a person or company owes, usually a sum of money. Liabilities are settled over time through the transfer of economic benefits including money, goods, or services.

27. Limited Liability Company (LLC)

A legal entity that is not taxable itself and distributes the profits to its owners, but shields personal assets from business debt like a corporation.

28. MVP (Minimum Viable Product)

It's the first versions of the product that only include the core features that aim to test the riskiest assumptions before building the next versions with more advanced features.

29. Net Profit

A business' total income minus its total costs.

30. Net Sales

Net sales is the sum of a company's gross sales minus its returns and discounts.

31. Outsourcing

Purchasing standard operational services from another business. Outsourced services typically including accounting, payroll, IT, advertising, and more.

32. Patent
A property right granted to an inventor to exclude others from making, using, offering for sale, or selling the invention for a limited time in exchange for public disclosure of the invention when the patent is granted.

33. **Pivot**
A pivot is a recalibration or shift in business focus or the business model based on innovation, customer feedback, or to seek better return on investment.

34. Pro rata
It is a Latin term used to describe a proportionate allocation. It essentially translates to "in proportion," which means a process where whatever is being allocated will be distributed in equal portions.

35. Profit and Loss Account
Will show a business' total income and expenditure for a given time period.

36. **Prototype**
An early model of a product that is used to test or showcase a concept or process.

37. Retained earnings
Retained earnings are the cumulative net earnings or profits of a company after accounting for dividend payments.

38. Return on equity (ROE)
ROE is a measure of financial performance calculated by dividing net income by shareholders' equity.

39. **Return on investment (ROI)**
It means the gain or loss that investors will receive as a result of the money they put in.

40. SaaS (Software as a Service)

Nowadays, one of the most common startup business models are software as a service. This is when you create a product with features that customers can use under a subscription. Exactly like paying a monthly fee for hosting or using an e-mail marketing platform.

41. Scalability
The ability of a business to grow fast without increasing its production costs.

42. Sole Proprietorship
A business that legally has no separate existence from its owner. Income and losses are taxed on the individual's personal income tax return.

43. Supply Chain
It is a network of individuals and companies who are involved in creating a product and delivering it to the consumer. Links on the chain begin with the producers of the raw materials and end when the van delivers the finished product to the end user.

44. Sweat equity
Self-funded entrepreneurs turn human capital (time, skills and knowledge) into financial capital (money). Human capital is equivalent to sweat equity since it doesn't require a monetary commitment but can lead to future financial returns.

45. Unicorn
The term given to a privately-owned start-up that was formed after 2003 and is valued at over £1billion.

46. **USP (Unique Selling Point)**
A benefit that a business offers to its customers that its competitors do not.

47. Variable Costs
Costs that vary in line with a business level of sales. Example- raw material, wages, packaging cost etc.

48. **Vision**
A business' long-term goal.

49. Venture Capital (VC)
A form of financing for a company in which the business gives up partial ownership and control of the business in exchange for capital over a limited time frame, usually 3-5 years.

50. Working capital
Also known as net working capital (NWC), is the difference between a company's current assets—such as cash, accounts receivable/customers' unpaid bills, and inventories of raw materials and finished goods—and its current liabilities.