

# Chapter 5 The Free Enterprise System

## Section 5.2 Business Opportunities

### Section Outline with Content and Academic Vocabulary

#### Section Outline

##### Types of Business

###### Size and Scope

Large Versus Small Businesses

Domestic Versus Global

###### Purpose

For-Profit Versus Nonprofit Organizations

Public Versus Private

###### Industry and Markets

NAICS

Consumer, Organizational, and Service Markets

##### The Functions of Business

###### Product and Procurement

Procurement

SWOT Analysis, Wholesales, and Retailers

###### Marketing

###### Management

###### Finance and Accounting

Balance Sheet

Profit and Loss Statements

Financial Statements and the SWOT Analysis

#### Content Vocabulary

**domestic business** A business that sells its products only in its own country.

(p. 123)

**global business** A business that sells its products in more than one country.

(p. 123)

**for-profit business** A business that seeks to make a profit from its operations.

(p.124)

**nonprofit organization** A group that functions like a business but uses the money it makes to fund the cause identified in its charter. (p. 124)

**public sector** Government-financed agencies, such as the Environmental Protection Agency. (p. 124)

**private sector** Businesses not associated with government agencies. (p. 124)

**industry** A group of establishments primarily engaged in producing or handling the same product or group of products or in rendering the same services. (p. 125)

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#### Section Outline with Content and Academic Vocabulary *continued*

**derived demand** Demand in the organizational market that is based on, or derived from, the demand for consumer goods and services. (p. 125)

**wholesaler** A business that obtains goods from manufacturers and resells them to organizational users, other wholesalers, and retailers, also called distributors. (pp. 126, 493)

**retailer** A businesses that buys goods from wholesalers or directly from manufacturers and resells them to consumers. (p. 126)

**production** The process of creating, growing, manufacturing, or improving on goods and services. (p.127)

**management** The process of achieving company goals by effective use of resources through planning, organizing, and controlling. (p. 128)

**finance** The function of business that involves money management. (p. 128)

**accounting** The discipline that keeps track of a company's financial situation. (p. 128)

#### Academic Vocabulary

**trend** A general direction in which something tends to move; current style or inclination. (p. 123)

**generate** To bring into existence; produce. (p. 124)