

Unit 6: Domestic Environment

1. **An industry** refers to all businesses involved in a similar type of production e.g.dairy, brewing industry
2. The **primary** sector contains the extractive industries
3. The **manufacturing** industry converts raw materials into finished goods. This sector includes both the **manufacturing** and **construction industries**
4. **Indigenous companies** are Irish owned and locally based.
5. **Transnational Corporations** are firms which produce and market goods in more than one country. They have a global perspective and see the world as one giant market. E.g. Nestle, Nokia, Coca- Cola
6. **Agribusiness** refers to those industries that use agricultural produce such as beef and milk as their raw material
7. The **construction industry** involves the building of the country's infrastructure: roads, bridges, schools, hospitals, factories, offices, shops and housing
8. **Service industries** do not manufacture physical products but provide services to other businesses and individuals OR the service industry consists of firms who provide services to other firms and to the public.
9. A **sole trader** is a business owned and controlled by a single person. The sole trader receives all the profits and bears all the risks of losses. Examples include farmers, publicans and service firms (newsagents, painters etc.)
10. A **partnership** is when between 2 and 20 people form a business together in order to make a profit.
11. A **Private Limited Company (Ltd)** is formed when between one and fifty people establish a separate legal entity for the purpose of carrying on business.
12. **Memorandum of Association (external)**
This is a document for the public, setting out details such as the name of the company, its purpose and the number of shares held by each founder

shareholder. It includes a statement that the company has limited liability and the signatures of founding members

13. **Articles of Association (internal)**

This is a document for shareholders setting out the internal rules of the company.

14. **Form A1** is a declaration of compliance with the provisions of the Companies Acts (1963-1990)

15. **Certificate of Incorporation.** This is the birth certificate of the limited company, which may then begin trading. The company is now a separate corporate body in the eyes of the law. It can enter into contracts, sue and be sued.

16. A **Public Limited Company (PLC)** is formed when seven or more shareholders establish a separate legal entity for the purpose of carrying on business. Shares in a PLC are quoted on the stock exchange.

17. A **business alliance** is a relationship (agreement) formed between two business enterprises to promote the business interests of both.

18. **Franchising** means the renting of a complete business idea, including name, logo and products to someone else

19. **Transnational Corporations** are firms which produce and market goods in more than one country. They have a global perspective and see the world as one giant market.

20. A **co-operative** is a business owned and run by a group of people, each of whom a financial interest in its success and an equal say in how it's managed.

21. **State-Owned Enterprises** are organisations or companies set up by the government.

22. **Privatisation** is the transfer of ownership of a company from the state (public sector) to the private sector.

23. **Indigenous companies** are Irish owned and locally based.

35. **A Free Enterprise Economy (Market Economy)** This is when producers and consumers make the choice regarding what is to be produced and for whom.
e.g. USA
36. **A Mixed Economy** This is an economy with elements of both a centrally planned and free enterprise. Both consumers and government decide on the way a country's resources are to be used e.g. Ireland
37. The **key economic variables** are indicators of an economy's health and are used as a way of tracking trends.
38. **Unemployment** refers to the number of people who are available and looking for work and cannot find a job
39. **Interest rates** are the cost of borrowing money.
40. **Inflation is** the annual percentage rise in prices from one year to the next. It's measured by the Consumer Price Index (CPI)
41. **A Tax is** a compulsory contribution of money to the government
42. **The exchange rate is** price at which one currency can be exchanged for another.
43. **Grants** refer to the non-repayable money that is given directly to businesses by government or the EU to promote enterprise and expansion
44. **Economic Growth** refers to the increase in the amount of goods and services produced by an economy from one year to the next
45. **Fiscal Policy** is the government's policy dealing with revenue (income) and expenditure e.g. an increase in VAT reduces sales
46. **Monetary Policy** is the government's policy dealing with controlling the amount of money in circulation for spending e.g. an increase in interest rates reduces borrowings. The European Central Bank (ECB) now controls this.
47. **Ethics** is defined as the study of right and wrong i.e. morality

48. **Ethical Responsibilities/Ethical Business Practice** are the responsibilities a business has to ensure it conducts itself in a fair, legal and honest manner in all dealings with stakeholders.
49. **Social Responsibilities** are our responsibilities to those people we come into contact with.
50. **Business Social Responsibilities** are the responsibilities a business has to its various stakeholders i.e. employees, environment, government, investors and local community.
51. **Code of Ethics** is a formal statement showing the kinds of behaviour expected from a business in its dealings with employees, customers and the community in which it operates.
52. **Whistle blowers** are staff whose ethical concerns are ignored within the business and who have the courage to report the wrongdoing to the authorities or the press.
53. **The environment** refers to the physical resources that surround us i.e. the world in which we live
54. **Private Costs** are the costs incurred by a firm when producing a good, such as raw materials, wages, advertising etc.
55. **Social Costs** are the costs to society as a result of a firms activities e.g. pollution, illness, traffic congestion etc.
56. **An Environmental Audit** is an independent study of the impact of the business on the environment. It looks at the 3 P's of environmental protection
 - *product is safe and healthy*
 - *production processes are clean, safe and quiet*
 - *packaging is capable of being recycled*