

Key Terms

Trade - when countries buy and sell goods/raw materials from each other.

Child labour - children of school age working for little money to make cheap goods and receiving no education.

Fairtrade mark/Logo - a picture/sign/emblem for which an organisation is recognised by.

Consumer - a person who buys and uses the good/service for its intended purpose.

Stable price - where the price of the good/service stays the same over a period of time.

Import - where a country buys goods/services from another country.

Entrepreneur - a person who brings together the factors of production (CELL), comes up with the business idea and takes the risk to set up a business.

Profit - the difference between what it costs to make a good/service and what you sell it for:
Profit = Selling Price - Costs

Developing nation - A developing country, is a nation with a lower standard of living, few industries, less wealth, poorer education systems, poorer health services, relative to other countries.

Standard of living - the amount of goods and services that you are able to buy.

Employee - someone who works for the organisation and is paid by them.

Market share - how many people buy the product from your organisation

Chain of production - the number of processes involved in the production of a good/service.

Quality - the standard of a product/service, value for money

Producer - the farmer/business/organisation who grows or makes the product.

Growing - Cocoa trees grow in hot, damp countries eg Ghana, Brazil and are usually grown in small pots.

Harvesting - Harvested twice a year, when pods are at perfect ripeness. Farmer uses a large knife to cut pods off the tree and opens pods by hand.

Transporting - Dried beans are put into sacks and collected by exporter and taken to port. Sacks then go into containers, then shipped to USA & Europe.

Charity/Not-for-profit - an organisation whose main aim is to meet the needs of their members/customers/users and not to make a profit eg The Big Issue, Golf Club.

Marketing - this is when organisations try to anticipate, identify and fulfil the needs of their consumers/customers by using market research, advertising, promotions.

Dependent/Interdependent - relying on others, organisations are all part of the same chain of production, so they rely on each other eg farmers grows wheat → sells wheat to miller → miller grinds wheat makes flour → sells flour to baker → baker uses wheat to make bread → sells bread to shop → shop sells bread to consumer