

Tier 3 language

2.1 Technological influences	
CAD / CAM	products can be developed using computer aided design (CAD) systems and then built using machines controlled by computers (CAM)
e-commerce	purchasing products using a firm's website (compare to m-commerce)
Information technology	the use of computers and software to help in the functioning of businesses. This might be using a word processor, emailing customers or video-conferencing with suppliers.
m-commerce	purchasing products from a website using mobile technology such as a smartphone

2.2 Ethical influences	
(Business) Ethics	involve a business doing what is morally right for as many of its stakeholders as possible
Fairtrade	where firms pay their suppliers a fair amount for their products which allows the supplier to pay their staff a fair wage so they have a better quality of life.

2.3 Environmental influences	
Biodegradable	Packaging which will decompose into its raw materials when exposed to light, heat, water and natural fungi or bacteria.
Recyclable	Where the product and/or its packaging can be processed and its basic constituents then reused in production e.g. paper or cardboard.
Renewable	not single use. Often applied to energy sources
Sustainability	businesses acting in a responsible manner and to ensure that our environment and resources are available for future generations to enjoy.

2.4 Economic influences	
Diversification	allows a business to enter a different market in addition to the one they are already involved. This enables the business to spread its risks should the original business fail.
Interest rates	the amount that it costs a firm to borrow money or the amount that a firm gains by saving its money in a bank account. Low interest rates make borrowing to invest in the firm cheaper. High interest rates are great for savers but could cause a firm problems if it cannot keep up its repayments.
Taxes	money that is paid to the government. Taxes are imposed on most products (VAT), on fuel, alcohol and tobacco (Excise Duty) and on wages (Income Tax and National Insurance). The government then uses this income to fund public services such as education, healthcare, policing etc. Firms pay Corporation Tax on their profits if they are LTD's or plc's.

Ethics	Doing the morally right thing for as many stakeholders as possible.
Diversification	Businesses entering a different market to what they are in. Allows a business to spread its risks.
Subsidy	A Governments acts to make exports cheaper ito boost overseas sales in order to save jobs
Tariff	A tax barrier put in place to make imports more expensive to protect our businesses

2.5 Impact of globalisation	
European Union	The biggest single market in the world. There is free movement of goods, services, people and money across the EU and regulations and laws are standardised. This makes trading between member states easier and puts up barriers to countries outside to protect EU businesses, residents and jobs.
Exchange rate	The ratio between two currencies e.g. the £ was worth \$1.24 and so a \$ is worth £0.81. As exchange rates fluctuate, imports and exports change in price.
Exports	Products produced in one country and then sold overseas.
Globalisation	The trend for markets to become worldwide. It has led to an increased worldwide production of goods and services.
Imports	Products manufactured overseas and then brought into another country for use.
Multinational companies	are businesses with their headquarters in one country but which operate in other countries through their offices, factories and shops. A company which just sells goods abroad is not a multinational company.
Single market	involves countries joining together in trade as if they were one country, so there are no trade barriers such as customs duties when goods cross borders within the market. An example of a single market is the European Union.
Subsidy	Where the government acts to make exports cheaper to boost sales. This is used to save jobs in this country.
Tariff	A tax put in place by the government to make imports more expensive. This is used to protect firms from cheap competition

2.6 Impact of legislation	
Intellectual property	is property which cannot be seen or touched but is the result of the creativity of an individual or group. Just as goods need to be protected from theft and damage so intellectual property is protected by patents, copyright and trademarks.
Employment laws	A set of laws that protect the rights of the worker. This includes anti-discrimination, equal pay and Health & Safety laws.
Consumer laws	A set of laws that protect customers from unfair trading. This includes product quality, product safety, unfair advertising and trades descriptions