



Glossary – terms used in lessons

Analyse	Research something carefully in order to form a judgement
Bank of England	The UK's central bank – it is responsible for keeping the economy healthy and the financial system safe
Bank Rate	The interest rate at which the Bank of England lends money to high street banks. It influences the interest that high street banks charge, or pay, their customers
Benefits	Payments made by the Government to those unable to work (e.g. who are sick, unable to find a job, or caring for someone full-time)
Bias	Showing something or someone in an unfairly positive or negative way
Business	An organisation that provides goods or services to the public or to other businesses with a view to making a profit on those activities
Consequence	The result of something
Consumer	Someone who buys goods or services. We are all consumers in some way or form
Critical consumer	Someone who thinks carefully about a decision to buy something
Debt	Money that is owed – and that is expected to be paid back – by an individual, business or country
Demand	The quantity of goods or services that people want, and are able to buy
Employee	Someone who works for a person or business
Employer	A person or business who employs people
Fairtrade	Trade between companies in developed countries and producers in developing countries in which fair prices are paid to the producers. It is this "Fairtrade" activity that leads to better working conditions for those in developing countries
Goods	A physical product, such as food, clothes, mobile phones
Government	The group of people elected to govern the country
High street bank	A bank that is run as a business. It looks after money, lends money and helps people pay for things (by issuing debit and credit cards)
Income	Money we earn or receive from working for a wage or salary or from investing in assets e.g. money in a bank, in stocks and shares, in property
Inflation	When prices for goods and services in general are rising. Usually expressed as an annual percentage rate
Inflation target	The inflation rate that the Government wants to achieve in order to keep prices stable. This is currently* 2% a year
Interest	The cost of borrowing and the money earned on savings



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Interest rate	The percentage by which interest is calculated. For example, a loan of £1000 at an interest rate of 5% would incur interest of £50 per year
Loan	Money borrowed, usually from a bank or building society
Manufacturer	A person or business that makes a product
Pension	Income received by retired people either from the Government as benefit or from their former employer, to which they will have contributed during their working lives by paying tax or by making payments into a pension fund
Price	What something costs to buy; a measure of its value
Risk	A situation that could cause harm or loss
Self-employed	When someone is in business on their own account, providing goods or services either as an individual sole trader or in partnership with other individuals
Services	A product offered in the form of a task rather than an actual thing e.g. hairdresser, financial services, waiter
Tax	Contributions from individuals, consumers and businesses to fund Government policies and services such as schools, hospitals, defence, the Civil Service and other Government spending
Wages	Money paid to an employee for working

Glossary - bonus terms

Central bank	The national bank that provides banking services for the Government and the high street banks e.g. in the UK, this is the Bank of England
Producer	Person or business that grows or makes goods, or supplies services
Retailer	A person or business that sells goods to the consumer
Salary	Money paid to an employee for working
Supply	The goods and services producers are willing or able to provide at a particular price
Trade	The process of buying and selling goods between individuals, businesses or countries