

Module 3 Classroom Cooperative

Glossary



Asset – Physical or financial property that has value and is owned by a business or individual.

Budget – An estimate, often itemized, of expected income and expense for a given period in the future.

Business plan – A detailed plan setting out the objectives of a business, the strategy and tactics planned to achieve them, and the expected profits, usually over three to ten years.

Board of directors – Made up of representatives from each member entity, creating a situation almost resembling a congressional body. Having a representative from each organization on the board of directors of a cooperative ensures that each company has a voice in strategic decision-making.

Capital – Wealth in the form of money or other assets owned by a person or organization or available or contributed for a particular purpose, such as starting a company or investing.

Cash – Money in the form of coins or banknotes, especially that issued by a government, or an equivalent, as a check, paid at the time of making a purchase.

Competition – Rivalry in which every seller tries to get what other sellers are seeking at the same time: sales, profit, and market share by offering the best practical combination of price, quality, and service.

Dividend – A distribution that a co-operative pays to its members based on a proportion of profit that the business earns.

Expense – Cost or charge.

Goal – The result or achievement toward which effort is directed; aim; end.

Income – The monetary payment received for goods or services, or from other sources, as rents or investments.

Income statement – An accounting of income and expenses that indicates a firm's net profit or loss over a certain period of time, usually one year.

Investor – A person who puts money to use, by purchase or expenditure, in something offering potential profitable returns, as interest, income, or appreciation in value.

Manager – A person responsible for controlling or administering all or part of a company or similar organization.

Management – The human factor within a production process (or a firm) that delimits problems, accumulates information relevant to their solution, analyzes that information, reaches decisions, acts on those decisions, and bears responsibility for the consequences of those actions.

Market analysis – The process of determining factors, conditions, and characteristics of a market.

Noncash – Of or constituting financial sources other than cash.

Owner-member - People who benefit from the products or services of a cooperative business and own the cooperative business.

Patronage – The financial support or business provided to a store, hotel, or the like, by customers, clients, or paying guests.

Service – An act of helpful activity; an activity that contributes to or supports another business' activity.