



Practice Business Vocabulary from the Academic Word List

Directions: Practice business vocabulary by choosing the correct forms from these lists to fill in the blanks below them. You may need more than one form of a word or word family.

**adapt, adaptable, adaptations, annual, annually,
economic, economy, economist, income, policies, sector**

_____ activity is the exchange of goods and labor. (The _____ of a country is the sum of such transactions.) Businesses make and sell products or offer services. People who buy those products or services are customers or consumers.

Most large businesses are corporations owned by stockholders and run by a board of directors. Most hold meetings of the stockholders _____, to present an _____ report (with profits and losses) and to vote on important business. Operations are supervised by a CEO (Corporate Executive Officer-- the private _____ equivalent of the president or prime minister of a nation) who is responsible to the Board of Directors.

Businesses need to make constant _____ to changes in their markets, labor force, suppliers and competitors. CEOs are well-paid because they must watch all these trends. They need to adjust corporate _____ and procedures to balance all these factors so their companies can continue to make a profit (to take in more money than they must pay out in expenses.)

**annual, annually, commission, commissions,
incentive, incentives, income, promoting, promotions**

Businesses have many methods for _____ their products or services to customers. Some stores offer discounts for membership in a special program or for cash payments. Stores may have special sales in which they reduce prices for a certain period of time, or (as is common in auto dealerships) _____ year-end sales to reduce their inventory before the next year's models arrive.

Auto dealers, furniture stores, or other companies that sell "big-ticket" (expensive) items often pay their sales people partly or completely by _____, based on the number or value of their sales rather than just their hours of work. _____ are an _____ to sell as much as possible since the salespeople's _____ rises (or declines) parallel to their sales' performance. (So are the bonuses some companies pay their employees _____ in December based on good work or else on the company's earnings. If the company's profits increase, the employees earn more too.)

**decline, declining, fluctuate, fluctuations,
interpret, interpretations, shifts, shifting, stable, stability, stabilized**

Several decades ago, factories in Detroit might be open for 3 _____ of 8 hours-- 24 hours a day-- to make enough cars to keep up with consumer demand for them. Competition from overseas caused demand to _____ so much that many factories had to lay off workers. Some factories even closed. Auto manufacturers hope that demand has now _____, and that enough customers will buy cars each year to keep the remaining factories busy. An important part of business management is to _____ the _____ of the market to predict when demand will be high (so more cars can be produced) and when demand is likely to drop.

**administer, administration, administrative, commission, commissioner, credits,
economic, economists, economy, fund, funded, funding, legislate, legislation, legislature, policy**

State governments may establish a _____ (a team of experts to investigate a problem) before they pass new _____ to try to resolve it. They realize that providing _____ alone is not enough; _____ or other experts must understand the nature of a problem to determine the best solution. In addition, legislators (and program _____) must consider other factors that may be affected by a new _____ to decide whether it will be effective or whether it will cause more problems than it solves.

For example, health and safety regulations are necessary, and governments must be _____, but over-regulation and higher taxes can cause businesses to relocate to other states or other countries. A state _____ looks for ways to export products, NOT jobs. In fact, to create (or avoid losing) jobs, governments may offer tax _____ or other incentives to companies that move their headquarters and manufacturing plants to the state.

Business Vocabulary Answers

**adapt, adaptable, adaptations, annual, annually,
economic, economy, economist, income, policies, sector**

Economic activity is the exchange of goods and labor. (The economy of a country is the sum of such transactions.) Businesses make and sell products or offer services. People who buy those products or services are customers or consumers.

Most large businesses are corporations owned by stockholders and run by a board of directors. Most hold meetings of the stockholders annually, to present an annual report (with profits and losses) and to vote on important business. Operations are supervised by a CEO (Corporate Executive Officer-- the private sector equivalent of the president or prime minister of a nation) who is responsible to the Board of Directors.

Businesses need to make constant adaptations to changes in their markets, labor force, suppliers and competitors. CEOs are well-paid because they must watch all these trends. They need to adjust corporate policies and procedures to balance all these factors so their companies can continue to make a profit (to take in more money than they must pay out in expenses.)

**annual, annually, commission, commissions,
incentive, incentives, income, promoting, promotions**

Businesses have many methods for promoting their products or services to customers. Some stores offer discounts for membership in a special program or for cash payments. Stores may have special sales in which they reduce prices for a certain period of time, or (as is common in auto dealerships) annual year-end sales to reduce their inventory before the next year's models arrive.

Auto dealers, furniture stores, or other companies that sell "big-ticket" (expensive) items often pay their sales people partly or completely by commission, based on the number or value of their sales rather than just their hours of work. Commissions are an incentive to sell as much as possible since the salespeople's income rises (or declines) parallel to their sales' performance. (So are the bonuses some companies pay their employees annually based on good work or else on the company's earnings. If the company's profits increase, the employees earn more too.)

**decline, declining, fluctuate, fluctuations,
interpret, interpretations, shifts, shifting, stable, stability, stabilized**

Several decades ago, factories in Detroit might be open for 3 shifts of 8 hours-- 24 hours a day-- to make enough cars to keep up with consumer demand for them. Competition from overseas caused demand to decline so much that many factories had to lay off workers. Some factories even closed. Auto manufacturers hope that demand has now stabilized, and that enough customers will buy cars each year to keep the remaining factories busy. An important part of business management is to interpret the fluctuations of the market to predict when demand will be high (so more cars can be produced) and when demand is likely to drop.

**administer, administration, administrative, commission, commissioner, credits,
economic, economists, economy, fund, funded, funding, legislate, legislation, legislature, policy**

State governments may establish a commission (a team of experts to investigate a problem) before they pass new legislation to try to resolve it. They realize that providing funding alone is not enough; economists or other experts must understand the nature of a problem to determine the best solution. In addition, legislators (and program administrators) must consider other factors that may be affected by a new policy to decide whether it will be effective or whether it will cause more problems than it solves.

For example, health and safety regulations are necessary, and governments must be funded, but over-regulation and higher taxes can cause businesses to relocate to other states or other countries. A state legislature looks for ways to export products, NOT jobs. In fact, to create (or avoid losing) jobs, governments may offer tax credits or other incentives to companies that move their headquarters and manufacturing plants to the state.

