UTXO

Bitcoin uses the UTXO model to keep track of user balances. Ethereum and other EVM chains use the account model to keep track of user balances. You can easily understand the account model, it is just like our bank accounts where we transact with the exact amounts we want to transfer. But in the UTXO model, you can say you have notes with some values assigned to each. Every time you receive some money (from someone or from mining or from consolidation(see second link)), you receive exactly one note. To send money to someone, you will have to use these notes only. So, if you want to send 5$ to someone, but have notes of 1$ and 10$ only, then you will have to use a 10$ note and get back another 5$ note. However, in account model, you can simply transfer 5$. The 'note' referred above is what exactly an UTXO is. These sources might help:

https://www.geeksforgeeks.org/what-is-unspent-transaction-output-utxo/?ref=ml_lbp

https://bitbox.swiss/blog/what-is-utxo-consolidation/

In (1) Every note is identified with the transaction from which this note was output. That's why it's called 'transaction output'.

You can use it later on as if you had money that you haven't spent yet. That's why it's called 'unspent'.

=> Unspent Transaction output