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Computer and Business Terminology

I. Introduction

The selection process of any entrance examination for a Business Management course includes rounds on Group Discussions and Personal Interviews. A student having sufficient business knowledge stands to gain at such a stage compared to someone who is ignorant of common terms and language used in the business environment. Some examinations such as the ICET also have a section specifically dedicated to this. The best way to sharpen your knowledge in this area is to hone your reading skills and to update yourself with commonly used terminology in the realm of technology and business.

This chapter deals with the terms frequently asked in such exams and the question types.

II. Types of questions

1. An abbreviation is given and its full form is asked

Example 1

ESOP means

1) Employee Stock Ownership Plan

2) Exit System Overseeing Plan

3) Emergency Schedule operation Plan

4) Entry Staff Orientation Plan

Solution

ESOP means Employee Stock Ownership Plan.

Hence, option 1.

2. A term is given and its meaning is asked

Example 2

Spoofing means

1) Sending unsolicited commercial messages on a large scale

2) Spitting virus indiscriminately along internet highway

3) An untrusted host connecting to the network pretending to be a host

4) Willful creation of internet traffic jam

Solution

Spoofing is a situation in which one person or program successfully masquerades as another by falsifying the data and gaining an illegitimate advantage.

Hence, option 3.

3. The meaning of a term is given and the original term is to be identified

Example 3

Computer Software which converts data into information and intelligence enabling a manager to take better decisions is known as:

1) BPR

2) TPS

3) CRM

4) DSS

Solution

DSS (Decision Support System) constitutes a class of computer-based information system that support decision-making activities.

Hence, option 4.

III. Commonly Used Terms

A. Computer terms

Sr. No.	Term	Description
1.	Algorithm	A formula or set of steps used to solve a particular problem.
2.	American National Standards Institute (ANSI)	The US organization that creates standards for the computer industry.
3.	Anchor	An area on a Web Page which, when clicked by the user of a Browser, displays the Web Page which is referred to by the URL associated with the anchor.
4.	Animation	A simulation of movement created by displaying a series of pictures, or frames.
5.	Anonymous FTP	The name given to the process whereby a user is able to copy a file from a FILE SERVER using the FILE TRANSFER PROTOCOL without having to pass through the normal ACCESS CONTROLS of the server.
6.	Arithmetic Logic Unit	It is the part of a computer that performs all arithmetic computations, such as addition and multiplication, and all comparison operations. The ALU is one component of the CPU (central processing unit).
		It is a program which translates an assembly language program

7.	Assembler	into a machine language program.
8.	Authentication	The process of identifying a user usually based on a username and password, or on the basis of a unique identifying factor.
9.	Authorization	The process of ensuring that the user of a network has received permission to use the facilities of the network permitted in his or her ACCESS PROFILE.
10.	Basic Input/ Output System (BIOS)	The BIOS is a program pre-installed on Windows-based computers that the computer uses to start up. The CPU accesses the BIOS even before the operating system is loaded. The BIOS then checks all the hardware connections and locates all the devices. If everything is OK, the BIOS loads the operating system into the computer's memory and finishes the boot-up process.
11.	Baud	A measure of the number of times a signal on a transmission line changes state in one second.
12.	Bits per Second	A measure of the speed of a communication medium.
13.	Blind Carbon Copy (BCC)	A copy of an Email message which is sent to a number of recipients wherein the recipients of the email are unaware of the identities of any of the other recipients.
14.	Blog	Short for Web log, a blog is a Web page that serves as a publicly accessible personal journal for an individual.
15.	Bluetooth	A short-range radio technology aimed at simplifying communications among Internet devices and between devices and the Internet.
16.	Boot	The process of starting up a computer's operating system. This is carried out by a small program, usually referred to as boot program and can also be initiated by pressing the reset button on a computer.
17.	Boot Sector	The area of a PC disk which contains information about the formatting of the disk and a small program known as the boot program which starts up the computer when it is switched on.
18.	Boot Virus	A Virus which stores itself on the boot sector of a disk and contains a program which is executed when the computer is started. This program carries some malicious task such as deleting files.
19.	Brouter	A network device that can function both as a router sending data to a destination network and a BRIDGE connecting two networks.
20.	Buffer	An area of memory where data is stored, either before it is sent into a network to some device such as a printer, or before being

		read by a computer as part of the processing of the data.
21.	Business to Business (B2B)	A term used in connection with ECOMMERCE. It describes commercial transactions that are carried out between two businesses. For example, the purchase of components from a supplier by a car manufacturer. This is one of the most profitable areas of the Internet, which enables companies to make large efficiency gains in their supply chains.
22.	Carbon Copy (CC)	A copy of an EMAIL sent to recipients other than the main recipient of the email.
23.	Chat	The process of communicating with other users of the Internet in REAL time.
24.	Clip Art	Graphic images which can be cut or clipped from a library and placed in a document such as a WEB PAGE.
25.	Clogging	A type of DENIAL OF SERVICE ATTACK on a computer in a network. It involves the attacker establishing many thousands of connections to the attacked computer but not relinquishing them and hence not making them available to other users. This prevents legitimate users from making a connection.
26.	Clustering	Connecting two or more computers together in such a way that they behave like a single computer. Clustering is used for parallel processing, load balancing and fault tolerance.
27.	COM	An abbreviation used to refer to the serial port of a personal computer.
28.	Compression	The process of reducing the size of a file before sending it over a transmission line.
29.	Compiler	It is a program which translates a high-level language program into machine level language program. It first runs through the entire program and then translates the entire program at one go into machine code.
30.	Code Division Multiple Access (CDMA)	It is a digital cellular technology that uses spread-spectrum techniques. CDMA does not assign a specific frequency to each user. Instead, every channel uses the full available spectrum. Individual conversations are encoded with a pseudo-random digital sequence. CDMA consistently provides better capacity for voice and data communications than other commercial mobile technologies, allowing more subscribers to connect at any given time, and it is the common platform on which 3G technologies are built.
31.	Data Mining	The process of extracting useful information from a disparate collection of DATABASES, FILES, and others sources such as WEB PAGES.
		A condition that occurs when two processes are each waiting for

32.	Deadlock	the other to complete before proceeding.
33.	Database	A collection of data stored on some permanent medium in order to show the relationship between individual items within the database.
34.	Decryption	The process of changing a text, the CIPHER TEXT, which has had ENCRYPTION applied to it so that it become unreadable, back to the original readable text : the PLAIN TEXT.
35.	Delisting	The process of removing details of a WEB SITE from the INDEX used by a SEARCH ENGINE. There are a number of reasons for this, two of the most popular reasons being that the site could be unreliable or the owner of the site has attempted SPAMDEXING.
36.	Extensible Markup Language (XML)	XML is used to define documents with a standard format that can be read by any XML-compatible application. The language can be used with HTML pages, but XML itself is not a markup language. Instead, it is a "meta language" that can be used to create markup languages.
37.	Ethernet	A LAN architecture developed by Xerox Corporation in cooperation with DEC and Intel. It uses CSMA-CD and is a highly flexible form of networking which can employ a variety of cable types and a variety of network topologies. It can also use a variety of transmission technologies ranging from CABLE to FIBRE OPTIC CABLERS.
38.	Encryption	The process of transforming some text known as the PLAIN TEXT into a form which cannot be read by anyone who does not have knowledge of the mechanisms used to carry out the encryption. The transformed text is known as the CIPHER TEXT.
39.	Escrow service	A service provided by an intermediary who stands between someone selling a product on the Internet and some one buying it. Instead of the buyer sending payment to the seller and the seller sending the product to the buyer, they both send these items to the escrow service. The service then checks that the product matches its description and the payment is sent.
40.	Fat server	A server which runs an application where most of the program code resides on it rather than on the CLIENT computers. A good examples of this type of server is a WEB SERVER
41.	Firewall	A combination of hardware and software which surrounds a CLOSED NETWORK and which prevents access to that network.
42.	FIFO (First In, First Out)	FIFO is a method of processing and retrieving data. In a FIFO system, the first items entered are the first ones to be removed. In other words, the items are removed in the same order they are entered.

43.	Flash Memory	Flash memory is a type of electrically erasable programmable read-only memory (EEPROM). . The name comes from how the memory is designed -- a section of memory cells can be erased in a single action or in a "flash." A common use of flash memory is to store the BIOS settings in a computer's ROM. When the BIOS needs to be changed, the flash memory can be written in blocks, rather than bytes, making it easy to update.
44.	Gateway	A computer which acts as a router on the Internet. In enterprises, the gateway is the computer that routes the traffic from a workstation to the outside network that is serving the Web pages. In homes, the gateway is the ISP that connects the user to the internet.
45.	Hot key	A user -defined key sequence that executes a command or causes the operating system to switch to another program. In Windows environments, you can often press a hot key to execute common commands. For example, Ctrl +C usually copies the selected objects.
46.	Hop	When data is sent across a network it proceeds via a number of computers across the network. The transfer from one computer to another is called a hop.
47.	Hacker	While this term originally referred to a clever or expert programmer, it is now more commonly used to refer to someone who can gain unauthorized access to other computers. A hacker can "hack" his or her way through the security levels of a computer system or network. This can be as simple as figuring out somebody else's password or as complex as writing a custom program to break another computer's security software.
48.	Handshake	The process whereby two entities on the Internet start the process of transferring data to and from each other. The handshake acts as a coordination point for such transfer. Usually the two entities swap information about themselves during the handshake.
49.	Hardcopy	A hard copy is a printed document. It may be a text file, photograph, drawing, or any other type of printable file. For example, instead of e-mailing a business memo, it may be sent out as a hard copy, or an actual physical paper containing the memo.
50.	Hibernate	If you are not going to use your computer for a few hours, it is a good idea to put it to sleep (also known as standby mode) to save power. If you are not going to use the computer for more than a day, it is usually best to turn it off. However, some Windows computer offer an option that combines the benefits of sleep mode and powering down the computer, called "Hibernate."

51.	Institute of Electrical and Electronics Engineers (IEEE)	An international professional society that issues standards and is a member of ANSI and ISO. IEEE LAN standards are the predominant LAN standards today, including standards similar or virtually identical to Ethernet and Token Ring.
52.	JINI	Software from Sun Microsystems that seeks to simplify the connection and sharing of devices, such as printers and disk drives, on a network. Currently adding such devices to a computer or network requires installation and boot-up, but a device that incorporates Jini will announce itself to the network, provide some details about its capabilities, and immediately become accessible to other devices on the network. Under this technology it would be possible to create distributed computing, whereby capabilities are shared among the machines on a common network.
53.	JAVA	A programming language which was developed by Sun Microsystems. It has a number of features which makes it an excellent medium for developing programs for the Internet. An important feature is the fact that it contains a large number of facilities for carrying out tasks such as connecting to another computer on the Internet and sending data to it.
54.	Joystick	It is an input device commonly used to control video games. Joysticks consist of a base and a stick that can be moved in any direction. The stick can be moved slowly or quickly and in different amounts. Some joysticks have sticks that can also be rotated to the left or right. Because of the flexible movements a joystick allows, it can provide much greater control than the keys on a keyboard.
55.	Login	To identify yourself to a closed network. This normally requires the use of an ACCOUNT NAME and a PASSWORD. For example, a login is used in the process of identifying yourself to a website which requires some form of identification.
56.	Logout	To terminate an interaction with a computer, usually by issuing a shut down or using some command in an operating system such as BYE. It is synonymous with Log-Off.
57.	Linux	A version of UNIX that runs on a number of hardware platforms. It was developed mainly by Linus Torvalds.
58.	Light Pen	An input device that utilizes a light-sensitive detector to select objects on a display screen. A light pen is similar to a mouse, except that with a light pen you can move the pointer and select objects on the display screen by directly pointing to the objects with the pen.
		An industry term for a large computer that is normally produced by one of the large computer manufactures such as

59.	Mainframe	IBM. Traditionally the mainframe computer is associated with centralized rather than distributed computing.
60.	Multipurpose Internet Mail Extensions (MIME)	An extension to Internet email that allows you attach any type of file, including non-text files like graphics and video, to e-mail. It also provides enhancements for email text, including formatting and support for extended character sets.
61.	News Ticker	A constantly updated line of text which displays breaking news headlines. Tickers are available as FREEWARE and SHAREWARE and can easily be added to a website.
62.	Netizen	A word formed by combining 'Net' and 'Citizen'. It is used to describe a habitual or keen user of Internet.
63.	Nagware	Software in the form of visual interface asking the user to register a product, purchase an application or take another form of action. Nagware is typically used in reference to shareware, which typically offers a free-trial period of use for the application and then requests that the user purchase the rights to use the software indefinitely.
64.	Operating System	It is a master control program that runs the computer. It controls the flow of signals from the CPU to the various parts of a computer. When the computer is switched on, it is the first program loaded onto the computer's memory.
65.	Portal	A website or service that offers a broad array of resources and services, such as e-mail, forums, search engines, and online shopping malls.
66.	Personal Identification Number (PIN)	A number given to a user which enables them to access a networked facility such a bank's ATM machine.
67.	Peer-to-peer (P2P)	A type of network in which each workstation has equal capabilities and responsibilities. This is in contrast to a CLIENT SERVER COMPUTING system where the CLIENTS take a subservient role to the SERVERS.
68.	Package	It is a computer application consisting of one or more programs created to perform a particular type of work.
69.	Query	A line of text used to make a request for information from a database. The most frequent use of queries on the Internet involves the QUERY LANGUAGES used by search engines to locate information in a site or in the WORLD WEB.
70.	Query language	A language used to make a request for information from a database.
		A video and animation system developed by Apple Computer. It is a popular format for creating and storing sound, graphics, and

71.	QuickTime	movie files. Though it is an Apple technology, QuickTime software is available for both the Mac and the PC.
72.	RAM	It stands for Random Access Memory. This means that the information can be written into and read from RAM. It is also volatile, i.e. it retains the stored information only as long as the power supply is on.
73.	Ripper	A software program that "grabs" digital audio from a compact disc and transfers it to a computer's hard drive. The integrity of the data is preserved because the signal does not pass through the computer's sound card and does not need to be converted to an analog format.
74.	Rich Text Format File (RTF)	A standard formalized by Microsoft Corporation for specifying formatting of documents. RTF files are actually ASCII files with special commands to indicate formatting information, such as fonts and margins.
75.	ROM	It stands for Read Only Memory. It is Permanent memory i.e. its contents will not be lost even after the power supply is off. But it is a memory unit that can only be read from, and the user cannot write onto ROM. It stores permanent programs and other instructions.
76.	Sector	Hard disks and Floppy disks surfaces are split into concentric tracks and each of these tracks is split into sub-sections called sectors. Each sector has a unique number associated with it and is generally the unit of transfer when moving data to and from the disk.
77.	Sniffer	A program and/or a device that monitors data travelling over a network. A number of sniffers are used locally. For example, they are used in identifying CHOKE POINTS but they can also be used for criminal acts such as capturing PASSWORDS and credit card details.
78.	Software piracy	The process of copying commercial software and making it available to the general user community, either at a small fee or free.
79.	System Software	It is a set of one or more programs that are designed to control the operations of a computer system. They instruct the computer to perform tasks such as controlling the operations, moving data in and out of a computer and executing application programs. System Software are further classified into : Operating Systems, Compilers, Interpreters and Assemblers
80.	Serial Advanced Technology Attachment	It is an interface used to connect ATA hard drives to a computer's motherboard. SATA transfer rates start at 150MBps, which is significantly faster than even the fastest 100MBps ATA/100 drives.

	(SATA)	
81.	Softcopy	When a document is created on a computer, it is typically saved as a file on the computer's hard drive. This is sometimes referred to as a soft copy. While the file can be easily opened and edited on a computer, it can also be easily deleted. Therefore, sometimes printing a hard copy is done to create a physical backup of the document.
82.	System Crash	A breakdown of either the operating system or the hardware, resulting in the system's halting, often very abruptly, and throwing its users off. Software packages have also been known to crash, sometimes taking the operating system along with them.
83.	Thesaurus	A FILE which contains list of words. Each word in the list is associated with a number of other words semantically similar to it. A thesaurus is normally used by SEARCH ENGINES and word processors.
84.	Trojan horse	A destructive program that masquerades as a benign application. Trojan horses do not replicate themselves but can be just as destructive.
85.	Transmission Control Protocol (TCP)	It is a major protocol within TCP/IP networks. It enables two hosts to establish a connection and exchange streams of data. It guarantees delivery of data and also guarantees that packets will be delivered in the same order in which they were sent.
86.	Universal Serial Bus (USB)	USB is the most common type of computer port which can be used to connect keyboards, mice, game controllers, printers, scanners, digital cameras, and removable media drives, just to name a few. A single port can be used to connect up to 127 peripheral devices.
87.	Unified Modeling Language (UML)	It is a general-purpose notational language for specifying and visualizing complex software, especially large, object-oriented projects.
88.	Uniform Resource Locator (URL)	The global address of documents and other resources on the World Wide Web. The first part of the address is called a protocol identifier and it indicates what protocol to use and the second part is called a resource name and it specifies the IP address or the domain name where the resource is located. The protocol identifier and the resource name are separated by a colon and two forward slashes.
89.	UNIX	One of the first operating systems to be written in a high level programming language. Most of the protocol that are used on the Internet, including the TRANSMISSION CONTROL PROTOCOL and the INTERNET PROTOCOL were initially developed for UNIX

		since its program code was readily available and because it is an easy operating system to modify. Also, of its derivatives, BSD UNIX has become one of the two most common Internet programming platforms.
90.	Unicode	A standard for representing characters as integers. It uses 16 bits which means that it can represent more than 65,000 unique characters.
91.	Voice Over Internet Protocol (VoIP)	It is basically a telephone connection over the internet wherein data is sent digitally, using the IP instead of analog telephone lines.
92.	Virtual Memory	An imaginary memory area supported by some operating systems (for example, Windows but not DOS) in conjunction with the hardware. You can think of virtual memory as an alternate set of memory addresses.
93.	Video Conferencing	The process conducting a conference between two or more users over a network in such a way that the faces and upper bodies of the participants are visible. POINT-TO- POING VIDEO CONFERENCING involves just two participants, while MULTIPOINT VIDEO CONFERENCING involves three or more.
94.	VB Script	A subset of the programming language Visual Basic, a language developed by Microsoft. It is used to add intelligence to Web pages or to enhance the pages in some way, for example by providing ANIMATION facilities.
95.	Vandalware	Software which has been developed for malicious intent. For example, VIRUS software. Also known as MALWARE.
96.	Webcam	Webcam is a combination of "Web" and "video camera." The purpose of a webcam is to broadcast video on the Web. Webcams are typically small cameras that either attach to a user's monitor or sit on a desk. Most webcams connect to the computer via USB, though some use a Firewire connection. Webcams typically come with software that allows the user to record video or stream the video on the Web. If the user has a website that supports streaming video, other users can watch the video stream from their Web browsers.
97.	WYSIWYG	Acronym for What You See Is What You Get. A WYSIWYG application is one that enables you to see on the display screen exactly what will appear when the document is printed. This differs, for example, from word processors that are incapable of displaying different fonts and graphics on the display screen even though the formatting codes have been inserted into the file.
	Wireless Application	A mobile PROTOCOL which allows the user of a mobile phone to

98.	Protocol (WAP)	browse WEB PAGES written in the MARKUP LANGUAGE Known as WML.
99.	Wireless Markup Language	A cut-down version of the Hyper TEXT MARKUP LANGUAGE. It is used for developing WEB PAGES which can be accessed using a mobile phone and is compatible with the WIRELESS APPLICATION PROTOCOL.
100.	Web 2.0	It refers to the second generation of the World Wide Web. The term "2.0" comes from the software industry, where new versions of software programs are labeled with an incremental version number. Like software, the new generation of the Web includes new features and functionality that was not available in the past. However, Web 2.0 does not refer to a specific version of the Web, but rather a series of technological improvements.

B. Business terms

1.	Accrued interest	The interest due on a bond since the last interest payment was made. The buyer of the bond pays the market price plus accrued interest.
2.	Acid Test	Short-term assets minus accounts receivable and inventory, divided by short-term liabilities. This is a test of a company's ability to meet its immediate cash requirements. It is one of the more common business ratios used by financial analysts.
3.	Acquisition	The acquiring of control of one corporation by another. In "unfriendly" takeover attempts, the potential buying company may offer a price well above current market values, new securities and other inducements to stockholders. The management of the subject company might ask for a better price or try to join up with a third company.
4.	Amortization	Accounting for expenses or charges as applicable rather than as paid. Includes such practices as depreciation, depletion, write-off of intangibles, prepaid expenses and deferred charges.
5.	Annual report	The formal financial statement issued yearly by a corporation. The annual report shows assets, liabilities, revenues, expenses and earnings - how the company stood at the close of the business year, how it fared profit-wise during the year, as well as other information of interest to shareowners.
6.	Assets	Everything a corporation owns or that is due to it: cash, investments, money due it, materials and inventories, which are called current assets; buildings and machinery, which are known as fixed assets; and patents and goodwill, called intangible assets.
	Auction	The system of trading securities through brokers or agents on an exchange such as the New York Stock Exchange. Buyers

7.	market	compete with other buyers while sellers compete with other sellers for the most advantageous price.
8.	Auditor's report	Often called the accountant's opinion, it is the statement of the accounting firm's work and its opinion of the corporation's financial statements, especially if they conform to the normal and generally accepted practices of accountancy.
9.	Arbitrage	Buying in one exchange and selling in another to take advantage of price difference.
10.	Auction	A mechanism used by the Stock Exchange to fulfill its obligation to the buyer of a security. It is done when the seller is unable to deliver the script sold by him. The security in question is offered by a member who has ready possession of the script.
11.	Analyst	An employee of a brokerage or fund management firm who studies companies and makes buy and sell recommendations on stocks of these companies. Most specialize in a specific industry such as telecommunications, pharmaceuticals or banks.
12.	Audit	An examination of accounting documents and of supporting evidence for the purpose of reaching an informed opinion concerning their propriety.
13.	Blue-Chip Stocks	Stocks of companies known for their long-established record of earning profits and paying dividends. Blue chips tend to be large, stable and well known.
14.	Big Bang	The first big shake-up of the stock market, in October 1986. This marked the end of single capacity, in which jobbers bought and sold shares for their own account and stockbrokers acted as agents only. Afterwards brokers could hold and trade shares.
15.	Break-even	The point of business activity when total revenue equals total expenses. Above the break-even point, the business is making a profit. Below the break-even point, the business is incurring a loss.
16.	Backend load	Sales charge paid when selling a mutual fund - also known as deferred load.
17.	Balance Sheet	A financial statement listing a company's assets (what it owns) and liabilities (what it owes) as of a specific date, usually the last day of a company's fiscal quarter. The difference between a company's assets and liabilities is termed its net worth or shareholder's equity.
18.	Bear	An operator who expects the share price to fall.
19.	Bear Market	A weak and falling market where buyers are absent (Usually because they suffered a loss when they held on too long to their shares when the market was rising.) Generally correlates with

		recession. An opportunity to buy at low prices, in hope of an upturn.
20.	Bond	A bond is a debt instrument issued by an entity for the purpose of raising capital. A long term promissory note issued by a corporation. A bond can be issued by a corporation or other entity such as state or municipal governments or the Central Bank of the country. Bonds normally have a set maturity (term) and interest (coupon) rate associated with them.
21.	Bourse	A stock exchange
22.	Broker	An agent who handles the public's orders to buy and sell stocks, commodities or other property.
23.	BSE Sensex	A stock index (one of many) commonly used as an indicator of changes in the general level of the stock prices in India. In this index, there are 30 diversified stocks traded on the Mumbai Stock Exchange which are thought to be representative of the market in general.
24.	Bull	An operator who expects the share price to rise and takes a position in the market to sell at a later date.
25.	Bull Market	A financial market of a group of securities in which prices are rising or are expected to rise. The term "bull market" is most often used to refer to the stock market, but can be applied to anything that is traded, such as bonds, currencies and commodities.
26.	Capital Employed	Total liabilities and equity less non-interest bearing liabilities.
27.	Capital Gains	Difference between the price at which a capital asset is sold and its original cost (assuming the price has gone up).
28.	Capital Turnover	Annual total Revenue as a percentage of total assets.
29.	Circuit Breaker	A mechanism used to restrain the market when it gets overheated. The Exchange may relax the limit after a cooling off period of about half an hour.
30.	Consolidation	A technical analysis term meaning a stock price is in trading range, not moving significantly up or down.
31.	Convertible Bond	A bond that can be exchanged for shares of stock.
32.	Collateral	Property or goods used as security against a loan and forfeited to the lender if the borrower defaults.
33.	Common Stock	There are two ways for companies to raise money for business investment; they can borrow it and/or they can issue shares - also known as stocks.

34.	Consortium	A grouping of corporations to fulfill a combined objective or project that usually requires inter business cooperation and sharing of the goods.
35.	Debenture	A fixed-interest stock (bond) secured on the assets of a company. In the event of the liquidation of the company, the owners of the debentures will be paid before the holders of loan stock, preference shares and ordinary shares but after the Inland Revenue.
36.	Delta	The delta of an option measures the change in the option price for any given change in the price of the underlying and thus makes it possible to determine exposure to the underlying.
37.	Demand Deposit Account (DDA)	An account from which a depositor may withdraw funds immediately without prior notice, commonly known as a checking account. Since funds may be withdrawn on demand in person or by presentation of a check, the account has many of the liquid characteristics
38.	Deficit	The excess of liabilities over assets; a negative net worth.
39.	Depreciation	A decrease in value through age, wear or deterioration. Depreciation is a normal expense of doing business that must be taken into account. There are laws and regulations governing the manner and time periods that may be used for depreciation.
40.	Deflation	A reduction in the general level of prices sustained over several months, usually accompanied by declining employment and output.
41.	Day Order	The quantity that remains untraded is not cancelled until the end of the day.
42.	Debt to Equity Ratio	Long-term debt divided by shareholders' equity, showing the relationship between long-term funds provided by creditors and funds provided by shareholder; a high ratio may indicate high risk, low ratio may indicate low risk.
43.	Deferred Expense	Balance sheet liability reflecting expenses shown on the income statement that haven't actually been paid.
44.	Deferred revenue	When a share is bought or sold for the purpose of receiving or effecting deliveries.
45.	Depreciation	A non-cash accounting charge representing the loss in value of hard assents such as buildings and machinery over the accounting period.
46.	Derivatives	A financial contract between two or more parties based on the future value of an underlying asset. Options and similar other instruments are examples.
		A drop in the price of a stock that is temporary making it the

47.	Dip	ideal time to buy the stock. A precept common to all businesses: buy low sell high.
48.	Dividend	Cash payment made to the shareholders out of the profits of the company. Cash dividends are paid out of corporate earnings and the percentage of earnings paid out varies from corporation to corporation.
49.	Dividend Per Share	The amount of dividend paid out per share. (Dividend rate x nominal value of share)/100. The price used is usually the market price at the end of the period under review, for instance, the end of a financial year.
50.	Entrepreneur In Heat (EIH)	Entrepreneur in Heat describes an entrepreneur that continues to develop new products and services beyond what the venture can support and inadvertently may diminish the focus and effectiveness of the activities supporting the venture's primary revenue streams.
51.	Equated monthly installments (EMI)	A fixed payment amount made by a borrower to a lender at a specified date each calendar month. Equated monthly installments are used to pay off both interest and principal each month, so that over a specified number of years, the loan is paid off in full.
52.	Ex Rights	A share is described as ex rights when the buyer is not entitled for the Rights. The seller remains the beneficiary
53.	Equity	A financial investment in a business. An equity investment carries with it a share of ownership of the business, a stake in the profits and a say in how it is managed. Equity is calculated by subtracting the liabilities of the business from the assets of the business.
54.	Franchise	An agreement enabling a third party to sell or provide products or services owned by a manufacturer or supplier. The franchise is regulated by a franchise contract, or franchise agreement, that specifies the terms and conditions of the franchise.
55.	Freebie	A product or service that is given away, often as a business promotion.
56.	Fiscal Year	Any Consecutive 12-month period of financial accountability for a corporation or government. For example, in many English speaking countries, because of the Christmas rush many department stores find it easier to wind up their yearly accounting on January 31 instead of December 31. In India, the Fiscal Year of the Government is 1st April to 31st March of the next year.
57.	Float	The number of shares outstanding minus what is owned by insiders and what the company is holding back (treasury stock.)

58.	Forex	Foreign currency exchange markets.
59.	Fundamental Analysis	A method of stock analysis based on the management of the company, past and projected financial and profitability
60.	Gross Margin	Gross profit divided by sales.
61.	Gross Profit	Profit a company makes on goods and services before considering overhead expenses. Gross profit is sales minus cost of sales.
62.	Growth Stocks	Stocks that pay low dividends, but are expected to grow. They are recommended for long term investors who have a vision for the future and are not interested in maximizing short term profits.
63.	Gross Income	Total income before taxes and other expenses are deducted.
64.	GDP	Gross domestic product, the total flow of services and goods produced by an economy over a quarter or a year, measured by the aggregate value of services and goods at market prices.
65.	GNP	Gross National Product, GDP plus domestic resident's income from investment abroad less income earned in the domestic market accruing to noncitizens abroad.
66.	Guerilla Marketing	A marketing technique, the aim of which is to damage the market share of competitors.
67.	Hyperinflation	A very rapid growth in the rate of inflation so that money loses value and physical goods replace currency as a medium of exchange.
68.	Income Statement	A record of a company's sales and expenses over a particular year or quarter.
69.	Index/Indices	An index is managed and published either by a stock exchange or a professional financial and investment body. It is representative of the market sentiment. Normally the index components are the highly traded stocks of that exchange.
70.	Inflation	Increase in the prices for goods and services. For the common man, this means he pays more for what he uses. For the stock market player, it could be both good and bad news.
71.	Inflation Rate	An important economic indicator. The rate at which prices are rising. So, when the inflation rate is 2 percent, it means it is rising at the rate of 2 percent per year based on current prices.
72.	Intangibles	Soft assets such as patents, trademarks, etc.
73.	IMF	International Monetary Fund, the organization that industrialized nations have established to reduce trade barriers and stabilize currencies, especially those of less industrialized nations.

74.	Insolvency	The inability to pay debts when they become due. Insolvency will apply even if total assets exceed total liabilities, if those assets cannot be readily converted into cash to meet debts as they mature.
75.	Inventory	A list of assets being held for sale, The stock of finished goods, raw materials, and work in progress held by a company.
76.	Joint Venture	An agreement between two or more firms to undertake the same business strategy and plan of action.
77.	Kurtosis	Sometimes referred to as the volatility of volatility, kurtosis measures the fatness of the tails of a probability distribution. A fat-tailed distribution has a higher-than-normal chance of a large positive (or negative) realization.
78.	Monopoly	A monopoly is when a business or company has complete control over a specific market.
79.	NASDAQ	The National Association of Securities Dealers Automated Quotation System is the world's fourth-largest stock market behind New York, Tokyo and London. NASDAQ is a screen-based market with over 500 market makers.
80.	Nominal Value	The value ascribed to a share when it is first authorized and issued by a company. A share's nominal value bears no relation to a share's market value.
81.	Nominal Yield	The nominal yield is the interest rate stated on the face of a bond - its coupon rate - and represents the percentage of interest to be paid by the issuer on the face value of the bond.
82.	NIKKEI 225	The NIKKEI 225 Stock Average is a measure of share values on the Tokyo Stock Exchange. It is the simple average of the price of its 225 components with an adjustment made to take account of stock splits.
83.	Overdue	The status of a payment that is late and not yet paid.
84.	Oversold	It is a term describing a market where people think prices have fallen too low given underlying factors and so where a correction (an upturn) is expected.
85.	Outsourcing	Purchasing an item or a service from an outside vendor to replace performance of the task with an organization's internal operations.
86.	Obsolescence	The decline of products in a market due to the introduction of better competitor products or rapid technology developments.
87.	Premiums	A product-oriented promotion that offers some free or reduced-price item contingent on the purchase of advertised or featured merchandise or service.
		An agreement in which one party sells a security to another

88.	Repo	party and agrees to buy it back on a specified date for a specified PRICE. CENTRAL BANKS deal in short-term repos to provide LIQUIDITY to the FINANCIAL SYSTEM, buying SECURITIES from BANKS with cash on the condition that the banks will repurchase them a few weeks later.
89.	Refinance	The process in which one replaces the original mortgage loan with a new one to take advantage of lower interest rates or better terms or to get cash
90.	Redemption	The purchase by a company of its own shares from shareholders.
91.	SWOT analysis	A formal framework of identifying and framing organizational growth opportunities. SWOT is an acronym for an organization's internal Strengths and Weaknesses and external Opportunities and Threats.
92.	Small Business Investment Council (SBIC)	A division of the Small Business Administration that offers "venture capital-like" resources to higher risk businesses seeking capital.
93.	SEBI	The Securities Exchange Board of India, the regulatory body and watchdog controlling the functioning of Stock Exchange in India .
94.	Seller Points	In reference to a loan, sellers points consist of a lump sum paid by the seller to the buyer's creditor to reduce the cost of the loan to the buyer.
95.	Stag	A stag is someone who buys newly-issued shares with the aim of selling them immediately for a profit as soon as dealing in the market begins.
96.	Unit Trusts	A unit trust is a trust formed to manage a portfolio of securities in which small investors can buy units. It differs from an investment trust in that investors who buy units are not shareholders.
97.	Tender	An application or offer to purchase a U.S. Treasury bill, note or bond.
98.	Theta	Theta measures the result of time decay on an option. As time passes, options will lose time value and the theta indicates the degree of this decay.
99.	Trade Deficit	The amount by which merchandise imports exceed merchandise exports.
100.	Vulture Capitalist	a venture capitalist who structures deals on behalf of an entrepreneur in such a way that the investors benefit rather than the entrepreneur

***************************** End of Lesson *****************************