

Fixed costs	Expenditure which is not affected by the amount of trade done by a firm or by the number of goods produced. A business cost which must be paid whether a firm is making money or not.
Variable costs	Any costs which change according to the amount of business done or the number of goods produced.
Breakeven	The relation of income and costs to the amount produced.
Breakeven chart	A graph showing the point at which sales and costs are equal.
Breakeven point	The point at which costs and expenses are exactly equal to sales, so that no profit or loss has been made.
Cash flow	The relationship between money coming into a business and money going out of a business.
Cash flow forecast	A statement of estimates of cash receipts and payments over a future period of time.
Gross profit	Total profit made before considering running and overhead expenses.
Net profit	The true profit made over a period after all expenses have been paid.
Current assets	Asset items which constantly change and are easily converted into cash, such as stock.
Current liabilities	Debts demanding short-term payment, such as tax, money owed to creditors and overdrafts.
Fixed assets	Permanent possessions which enable a business to function, such as buildings, machinery, vehicles and land.