Budgetary control A business system that involves making future plans, comparing the actual results with the planned results and then investigating the causes of any differences.	**Production** The transformation of resources into goods or services.
Buffer stocks Stocks held as a precaution to cope with unforeseen demand.	**Production cost budget** A firm's planned production costs for a future period of time.
Capital Money put into the business by the owners.	**Productivity** The output per unit of input per time period.
Capital The money provided by the owners in a business.	**Profit** The difference between total costs and total revenue. It can be negative.
Capital expenditure Spending on business resources that can be used repeatedly over a period of time.	**Profit for the year (net profit) margin or net profit margin** Net profit after tax, expressed as a percentage of revenue/ turnover.
Capital intensive Production methods that make more use of machinery relative to labour.	**Profit for the year (net profit) or net profit** The difference between operating profit and interest and exceptional items.

Consumer price index (CPI) A common measure of price changes used in the EU.	**Recover or upswing** A period where economic growth begins to increase again after a recession.
Contract of employment A written agreemént between an employer and an employee in which each has certain obligations.	**Re-order level** The level of current stock when new orders are placed.
Contribution The amount of money left over after variable costs have been subtracted from revenue. The money contributes towards fixed costs and profit.	**Re-order quantity** The amount of stock ordered when an order is placed.
Cost of sales The direct costs of a business.	**Retained profit** Profit after tax that is 'ploughed back' into the business.
Current assets Liquid assets, i.e. those assets that will be converted into cash within one year.	**Revenue expenditure** Spending on business resources that have already been consumed or will be very shortly.
Current liabilities Money owed by the business that must be repaid within one year.	**Revenue or turnover** The total income of a business resulting from sales of goods or services.