



## Terms and Definitions

### Module 9

**Balance sheet** – a statement of the assets, liabilities, and capital of a business or other organization at a particular point in time, detailing the balance of income and expenditure over the preceding period

**Calendar Year** – January 1st to December 31st

**Customer retention** – the percentage of customers you keep relative to the number you had at the beginning of the period

**Fiscal year** – a 12 month period that can begin at any month; used for accounting purposes

**Franchising** – allowing others to use your company name and operating plan

**Freemium** – a cost structure where individuals can use a free, but limited version of a product (or one that includes advertisements), with the option to purchase the full version (or remove ads)

**Income statement** – a ledger that shows a business's expenses and income for a period of time, used to summarize whether a business earned a profit or suffered a loss

**Licensing** – allowing others to use your intellectual property

**Profit and loss statement** – another name for an income statement

**Revenue** – money a business earns before expenses are taken out

**Revenue stream** – the ways a company earns money; each product or service offered provides a separate revenue stream

**Sales forecasting** – predicting future sales for a period or periods of time

**Subscription** – a fee paid for access to a service

**Syndication** – licensing creative works to other users for income

**Transaction fee** – a fee charged for services