

Glossary

Accounts receivable -Money owed to your business for merchandise sold or services rendered.

Accrue- To accumulate; to grow something.

Acquisitions- Items that are purchased or received.

Acquisition cost- The price plus closing cost to buy an item.

Assets- Any item of value owned by a business or individual.

Balance sheet statement - A statement of a business's financial status at any given date.

Book value - The original value of an item minus the accumulated depreciation.

Boot - Something given to equalize an uneven trade.

Capital assets- Machinery, livestock, buildings and other assets that have a useful life of more than one year.

Capital purchases and sales- The purchase or sale of machinery, livestock, buildings and other assets that have a useful life of more than one year.

Chattel - Personal capital property, other than real estate holdings, that usually does not include livestock.

Competency - A measures of abilities, knowledge or skills.

Current liabilities- Liabilities that are payable within the year.

Current/operating assets- Items bought for use in day-to-day operations such as resale items, office supplies or market animals.

Current/operating expenses-Items bought to use in day-to-day operations such as resale items, office supplies, market animals, etc.

Current/operating income-Money earned from sale of non-capital items such as fertilizers, market animals or plants.

Depreciable- Items that lose value over time because of wear or becoming obsolescence.

Depreciation - The amount an item declines in value because of time and/or wear and tear.

Eligibility - Qualifications that must be met to attain something.

Employee - A person who works for another person for wages or salary.

Entrepreneurship - The act of organizing, managing and assuming the risk of a business or enterprise.

Equity - Businesses assets minus liabilities; same as net worth

Expense- The cost involved in producing a product or service

FFA Supply Service - The merchandising division of the National FFA Organization, 6060 FFA Drive- PO Box 68960, Indianapolis, IN 46268-0960 Phone Number: 1-888-332-2668.

Home improvement- A series of learning activities that improves the value or appearance of a place of employment, home, school or community.

Inflationary -An increase in the price of goods and services, resulting in a continuing rise in general price levels.

Internal Revenue Service (IRS) - The branch of the federal government charged with collecting tax revenues.

Investment - The expenditure of money put into a business to create income or profit.

Liabilities-Money, goods and/or services for which you owe.

Glossary (continued)

Maturity value- The value of a breeding, pleasure or draft animal at the age when that particular species begins to decline in market value for breeding, draft or pleasure purposes.

National FFA Center - The headquarters of the National FFA Organization.

National FFA Foundation - The branch of the National FFA Organization charged with soliciting and collecting donations for FFA programs and services.

Net worth -The difference between total assets and total liabilities; same as equity

Non-current/capital assets- Inventory items, including all pleasure, draft and breeding animals, which normally have a useful life of more than one year.

Non-current/capital income- Money received from the sale of capital items such as machinery, livestock or buildings.

Non-current liabilities- Liabilities not paid within one year.

Operating assets/expenses/income – See “Current/operating assets, expenses or income” above.

Placement - An SAE program where students work for wages or experience.

Principal- An amount of money borrowed or invested, not including interest.

Proficiency - An advancement in knowledge or skill; the process of receiving competencies through training and practice.

Processing - The changing of a raw material into a more useable form.

Ratios - The relationship in quantity, amount or size between two or more things.

Recordkeeping - The process of keeping accurate facts and information pertaining to an SAE.

Research/experimentation- An extensive activity where a student plans and conducts a major agriculture experiment using the scientific process.

Scope – The size and growth of an operation or enterprise.

Supervised Agricultural Experience (SAE) program - Planned practical activities conducted outside of class time that helps students develop and apply knowledge and skills. These activities may be either entrepreneurship, placement (paid or unpaid) or research/experimentation in nature.

United States Department of Agriculture (USDA) - The branch of the federal government that regulates the agriculture industry.

Wage - A payment, usually in money, for labor or services based on a contract or on an hourly, daily or piecework basis.

Working capital- The amount of funds available after the sale of current assets and payment of current liabilities. This amount is calculated by subtracting current liabilities from current assets.