

Term	Brief Definition
Cable modem	: High-speed (approximately 2 to 3 megabits per second), broadband Internet connection delivered over cable lines.
Cafeteria approach	: An approach to developing an expatriate compensation package that entails giving the individual a series of options and letting the person decide how to spend the available funds.
Canadian Shield	: A massive land area of bedrock covering one-half of Canada's landmass.
CAP	: Common agricultural policy.
Capital	: Human-made resources (buildings, machinery, and equipment) used to produce goods and services; goods that do not directly satisfy human wants; also called capital goods.
Capital account	: In the balance of payments, records transactions involving the purchase or sale of assets.
Capital account	: The section of a nation's international balance-of-payments statement that records the foreign purchases of assets in the United States (creating monetary inflows) and U.S. purchases of assets abroad (creating monetary outflows).
Capital account deficit	: A negative balance on capital account.
Capital account surplus	: A positive balance on capital account.
Capital controls	: Restrictions on cross-border capital flows that segment different stock markets; limit amount of a firm's stock a foreigner can own; and limit a citizen's ability to invest outside the country.
Capital flight	: Residents convert domestic currency into a foreign currency.
Capital flight	: The transfer of savings from developing countries to industrially advanced countries to avoid government expropriation, taxation, and high rates of inflation or to realize better investment opportunities.
Capital gain	: The gain realized when securities or properties are sold for a price greater than the price paid for them.
Capital infrastructure	: The financial and management communities that enable the creation of new business.
Capital stock	: The total available capital in a nation.

Capital-intensive	:	Describes processes that require a high concentration of capital relative to labor per unit of output and products produced by such processes. The opposite is labor-intensive.
Capital-intensive commodity	:	A product that requires a relatively large amount of capital to be produced.
Capitalism	:	All possible activities are performed by private business or persons rather than by a government.
Capitalism	:	An economic system in which property resources are privately owned and markets and prices are used to direct and coordinate economic activities.
Capital-saving technological advance	:	An improvement in technology that permits a greater quantity of a product to be produced with a specific amount of capital (or permits the same amount of the product to be produced with a smaller amount of capital).
Capital-using technological advance	:	An improvement in technology that requires the use of a greater amount of capital to produce a specific quantity of a product.
Care perspective	:	Involves compassion and an ideal of attention and response to need.
Care principle	:	The moral principle stating that we should benefit those with whom we have special relationships.
Career plateauing	:	The end result when the probability of being promoted is very small.
CARICOM	:	An association of English-speaking Caribbean states that are attempting to establish a customs union.
Cartel	:	An organization of suppliers that controls the supply and price of a commodity. To be successful, a cartel should have relatively few members who control most of the export supply of the commodity, the members must observe the cartel rules, and the commodity must be a necessity with a price-inelastic demand.
Cartel	:	A formal agreement among firms (or countries) in an industry to set the price of a product and establish the outputs of the individual firms (or countries) or to divide the market for the product geographically.
Case study	:	In-depth study of a single person, group, or organization.

Caste system	:	A system of social stratification in which social position is determined by the family into which a person is born, and change in that position is usually not possible during an individual's lifetime.
Caste system	:	An aspect of Hinduism by which the entire society is divided into four groups plus the outcasts, and each is assigned a certain class of work.
Causal attributions	:	Suspected or inferred causes of behavior.
Causation	:	A relationship in which the occurrence of one or more events brings about another event.
Cease-and-desist order	:	An order from a court or government agency to a corporation or individual to stop engaging in a specified practice.
Celler-Kefauver Act	:	The Federal act of 1950 that amended the Clayton Act by prohibiting the acquisition of the assets of one firm by another firm when the effect would be less competition.
Central bank	:	A bank whose chief function is the control of the nation's money supply; in the United States, the Federal Reserve System.
Central banks	:	Government institutions with authority over the size and growth of the national monetary stock. Central banks frequently regulate commercial banks and usually act as the government's fiscal agent.
Central economic planning	:	Government determination of the objectives of the economy and how resources will be directed to attain those goals.
Central reserve assets	:	Gold, SDRs, or hard foreign currencies held in a nation's treasury.
Centrality	:	The degree and nature of interdependence between the powerholder and others.
Centralization	:	The degree to which formal decision authority is held by a small group of people, typically those at the top of the organizational hierarchy.
Centralization	:	A management system under which important decision are made at the top.
Centralized decision making	:	Top managers make all key decisions.
Centralized depository	:	The practice of centralizing corporate cash balances in a single depository.

Centrally planned economy	:	Governments plan and direct almost all economic activity and usually own the factors of production.
Centrally planned markets	:	Markets in which there is almost no free market activity and the government owns all major factors of production, controls labor, and tries to plan all activity.
Ceremonies	:	Planned and usually dramatic displays of organizational culture, conducted specifically for the benefit of an audience.
Certificate of review	:	Legal document issued by U.S. Department of Commerce that grants immunity from state and federal antitrust prosecution to export trading companies.
Chaebol	:	Large South Korean conglomerates, frequently family owned and directed, that have succeeded worldwide in such fields as microchips, electronics, construction, and shipbuilding. Korean law prohibits banks from being part of chaebol.
Chaebols	:	In South Korea, very large, family-held conglomerates, including internationally known firms, in which many key managers have attended school in the West and use this education to help formulate successful international strategies for their firms. Chaebols have considerable political and economic power in Korea.
Change agent	:	Anyone who possesses enough knowledge and power to guide and facilitate the organizational change effort.
Change and acquisition	:	Requires employees to master tasks and roles and to adjust to work group values and norms.
Change in demand	:	A change in the quantity demanded of a good or service at every price; a shift of the demand curve to the left or right.
Change in supply	:	A change in the quantity supplied of a good or service at every price; a shift of the supply curve to the left or right.
Change-management process	:	A framework for identifying problems within a project, prioritizing the problems, assigning the task of resolving the problems to an individual or team, and tracking the progress of these efforts until all problems are resolved.
Channel length	:	The number of intermediaries that a product has to go through before it reaches the final consumer.

Charismatic leadership	:	Transforms employees to pursue organizational goals over self-interests.
Check clearing	:	The process by which funds are transferred from the checking accounts of the writers of checks to the checking accounts of the recipients of the checks.
Checkable deposit	:	Any deposit in a commercial bank or thrift institution against which a check may be written.
Checking account	:	A checkable deposit in a commercial bank or thrift institution.
Chromatics	:	The use of color to communicate messages.
Chronemics	:	The way in which time is used in a culture.
CIF (cost, insurance, and freight)	:	A term used in the delivery of goods from one party to another. The price includes the costs of the goods, the maritime or other appropriate transportation, the insurance premium, and the freight charges to the destination.
Circuit-switched networks	:	Networks in which only one data transfer can occur at a given time.
Circular flow model	:	The flow of resources from households to firms and of products from firms to households. These flows are accompanied by reverse flows of money from firms to households and from households to firms.
CIS	:	Commonwealth of Independent States.
Civil law system	:	A system of law based on a very detailed set of written laws and codes.
Civil or code law	:	Law that is derived from Roman law and is found in the non-Islamic and nonsocialist countries.
Civil Rights Act of 1964	:	Federal law that, in Title VII, outlaws discrimination based on race, color, religion, gender, or national origin in hiring, promoting, and compensating workers.
Class consciousness	:	A tendency for individuals to perceive themselves in terms of their class background.
Class system	:	A system of social stratification in which social status is determined by the family into which a person is born and by subsequent socioeconomic achievements. Mobility between classes is possible.

Classical economics	:	The macroeconomic generalizations accepted by most economists before the 1930s that led to the conclusion that a capitalistic economy was self-regulating and therefore would usually employ its resources fully.
Clayton Act	:	The Federal antitrust act of 1914 that strengthened the Sherman Act by making it illegal for firms to engage in certain specified practices.
Clearing	:	The process of transmitting, reconciling, and, in some cases, confirming payment orders prior to settlement, possibly including netting of instructions and the establishment of final positions for settlement. Sometimes the term is used (imprecisely) to include settlement.
Clearing system	:	A set of procedures whereby financial institutions present and exchange data and/or documents relating to funds or securities transfers to other financial institutions. The procedures often also include a mechanism for the calculation of participants' bilateral and/or multilateral net positions with a view to facilitating the settlement of their obligations on a net basis.
Clearinghouse	:	A central location or central processing mechanism through which financial institutions agree to exchange payment instructions. The institutions settle for items exchanged at a designated time based on the rules and procedures of the clearinghouse. In some cases, the clearinghouse may assume significant counterparty, financial, or risk management responsibilities for the clearing system.
Click stream	:	Series of links that a user clicks on when using the Web.
Click-through rate	:	The number of times a link is "clicked."
Client	:	A computer that is connected to the host computer or server on a network.
Client/server architecture	:	A system in which a central server is used to store information that is accessed and acted upon by any number of client machines connected to the server through a network.
Climate	:	The meteorological conditions, including temperature, precipitation, and wind, that prevail in a region.
Closed economy	:	An economy that neither exports nor imports goods and services.

Closed shop	:	A place of employment where only workers who are already members of a labor union may be hired.
Closed system	:	A relatively self-sufficient entity.
Cluster analysis	:	Statistical technique dividing objects into groups so that the objects within each group are similar.
Clustering	:	Building a system based on smaller, less expensive machines rather than a few large, complicated, and expensive machines. In this system, the machines are configured to share the load for a website, often with each machine handling a few requests at a time.
Coalition	:	An informal group that attempts to influence people outside the group by pooling the resources and power of its members.
Coalition	:	Temporary groupings of people who actively pursue a single issue.
Coase theorem	:	The idea, first stated by economist Ronald Coase, that spillover problems may be resolved through private negotiations of the affected parties.
COCOM	:	Voluntary group of most NATO nations that administers a common set of export controls to prevent transfer of sensitive goods to hostile nations. In 1994, after the end of the Cold War, COCOM went out of existence. A number of developments are causing some NATO members to consider reviving it. Such developments include modernization of the PRC armed forces, fears of a Russian military revival, and the discovery that at least one of the so-called rogue countries, Iraq, developed arms of mass destruction, including nuclear, biological, and chemical weapons.
Code of Fair Information Practices	:	Created by the Nixon administration to study the effect of computers on privacy. The code is comprised of five rules set forth by the commission that are designed to protect personal information by restricting what companies can do.
Codetermination	:	A form of employee involvement required by some governments that typically operates at the work site as works councils and at the corporate level as supervisory boards.
Codetermination	:	A legal system that requires workers and their managers to discuss major decisions.

Codetermination	:	A system in which representatives of labor participate in the management of a company.
Coercive power	:	Obtaining compliance through threatened or actual punishment.
Cognitions	:	A person's knowledge, opinions, or beliefs.
Cognitive categories	:	Mental depositories for storing information.
Cognitive component	:	The beliefs or ideas one has about an object or situation.
Cognitive dissonance	:	A psychological tension that occurs when people perceive an inconsistency between their beliefs, feelings, and behavior.
Cognitive style	:	A perceptual and judgmental tendency, according to Jung's typology.
Cohesiveness	:	A sense of "we-ness" helps group stick together.
Coincidence of wants	:	A situation in which the good or service that one trader desires to obtain is the same as that which another trader desires to give up and an item that the second trader wishes to acquire is the same as that which the first trader desires to surrender.
Collaborative computing	:	Using computer software and hardware to help people work better together.
Collection documents	:	All documents submitted to a buyer for the purpose of receiving payment for a shipment.
Collective bargaining	:	The process whereby formal labor agreements are reached by union and management representatives; it involves the negotiation of wages, hours, and conditions of employment and the administration of the labor contract.
Collective bargaining	:	Bargaining between an employer and a labor union about employee wages and working conditions.
Collective bargaining	:	The negotiation of labor contracts between labor unions and firms or government entities.
Collective selfregulation	:	A feature of sociotechnical systems in which the team has autonomy to divide up work among its members as well as to coordinate that work.
Collective voice	:	The function a labor union performs for its members as a group when it communicates their problems and grievances to management and presses management for a satisfactory resolution.

Collectivism	:	The extent to which people value duty to groups to which they belong, and to group harmony.
Collectivism	:	A culture in which people tend to belong to groups or collectives and to look after each other in exchange for loyalty.
Collectivism	:	An emphasis on collective goals as opposed to individual goals.
Collectivist culture	:	Personal goals less important than community goals and interests.
Collusion	:	A situation in which firms act together and in agreement (collude) to fix prices, divide a market, or otherwise restrict competition.
COMECON	:	Now-defunct economic association of Eastern European Communist states headed by the former Soviet Union.
Command economy	:	An economic system where the allocation of resources, including determination of what goods and services should be produced, and in what quantity, is planned by the government.
Command system	:	A method of organizing an economy in which property resources are publicly owned and government uses central economic planning to direct and coordinate economic activities; command economy.
Commerce	:	The sale of goods, products, or services.
Commercial bank	:	A firm that engages in the business of banking (accepts deposits, offers checking accounts, and makes loans).
Commercial bank loan	:	An installment loan in which a business borrows a certain amount of money, for a specified length of time, with a fixed or variable interest rate.
Commercial banking system	:	All commercial banks and thrift institutions as a group.
Commitment to change	:	A mindset of doing whatever it takes to effectively implement change.
Commodity agreement	:	An agreement between the producers and consumers of a commodity (for example, tin, cocoa, or rubber) to regulate the production, price, and trade of the commodity.
Common external tariff	:	Under an agreement reached by a group of nations, such as the EU, the same level of tariffs is imposed by these nations on all goods imported from other nations.
Common law	:	Law that derives from English law and is the foundation of legislation in the United States, Canada, and England, among other nations.

Common law system	:	A system of law based on tradition, precedent, and custom. When law courts interpret common law, they do so with regard to these characteristics.
Common market	:	A group of countries committed to (1) removing all barriers to the free flow of goods, services, and factors of production between each other and (2) the pursuit of a common external trade policy.
Communication	:	The process by which information is transmitted and understood between two or more people.
Communication	:	Interpersonal exchange of information and understanding.
Communication	:	The process of transferring meanings from sender to receiver.
Communication	:	The dialogue that unfolds between a website and its users.
Communication competence	:	Ability to effectively use communication behaviors in a given context.
Communication distortion	:	Purposely modifying the content of a message.
Communism	:	A theory of a classless society conceived by Marx. Lenin, Stalin, and others developed it differently.
Communist totalitarianism	:	A version of collectivism advocating that socialism can be achieved only through a totalitarian dictatorship.
Communists	:	Those who believe socialism can be achieved only through revolution and totalitarian dictatorship.
Communitarianism	:	Refers to people regarding themselves as part of a group.
Communities of practice	:	Informal groups bound together by shared expertise and passion for a particular activity or interest.
Communities of practice	:	Groups bound together by shared expertise and passion for a particular activity or interest.
Community	:	The interaction that occurs among site users.
Comparables method	:	Placing a value on a company by comparing it to other companies that are similar.
Comparative advantage	:	The theory that countries should specialize in the production of goods and services they can produce most efficiently. A country is said to have a comparative advantage in the production of such goods and services.

		Unless a country has the same absolute advantage in producing all goods and services, there would be some goods and services in which it had less relative advantage. It would gain by importing those and exporting the ones in which it had an absolute advantage or the greatest relative advantage.
Comparative advantage	:	
Comparative advantage	:	A lower relative or comparative cost than that of another producer.
Compensating differences	:	Differences in the wages received by workers in different jobs to compensate for non-monetary differences in the jobs.
Compensation	:	A form of counter trade involving payment in goods and cash.
Compensation to employees	:	Wages and salaries plus wage and salary supplements paid by employers to workers.
Compensatory financing	:	A program to assist countries in financial difficulties due to drops in export earnings because of natural causes, such as drought, or because of international market price decreases. The IMF and the EU have compensatory financing programs.
Compensatory trade	:	Any transaction that involves asset transfer as a condition of purchase.
Competencies	:	Skills, knowledge, aptitudes, and other characteristics of people that lead to superior performance.
Competition	:	The presence in a market of independent buyers and sellers competing with one another and the freedom of buyers and sellers to enter and leave the market.
Competition policy	:	Regulations designed to promote competition and restrict monopoly practices.
Competition policy	:	The European versions of American antitrust laws.
Competitive alliance	:	Cooperation between competitors for specific purposes.
Competitive industry's short-run supply curve	:	The horizontal summation of the short-run supply curves of the firms in a purely competitive industry; a curve that shows the total quantities offered for sale at various prices by the firms in an industry in the short run.
Competitive labor market	:	A resource market in which a large number of (non-colluding) firms demand a particular type of labor supplied by a large number of nonunion workers.

Competitor analysis	:	Process in which principal competitors are identified and their objectives, strengths, weaknesses, and product lines are assessed.
Competitor intelligence system (CIS)	:	Procedure for gathering, analyzing, and disseminating information about a firm's competitors.
Complementary goods	:	Products and services that are used together. When the price of one falls, the demand for the other increases (and conversely).
Compound duty	:	A form of import duty consisting of an ad valorem duty and a specific duty.
Concentration ratio	:	The percentage of the total sales of an industry made by the four (or some other number) largest sellers in the industry.
Confirmed	:	Act of a correspondent bank in the seller's country by which it agrees to honor the issuing bank's letter of credit.
Confirmed letter of credit (L/C)	:	An L/C confirmed by a bank other than the opening bank. Thus, it is an obligation of more than one bank.
Confiscation	:	Seizure by a government of foreign-owned assets that is not followed by prompt, effective, and adequate compensation.
Conflict	:	The process in which one party perceives that its interests are being opposed or negatively affected by another party.
Conflict	:	One party perceives its interests are being opposed or set back by another party.
Conflict management	:	Interventions that alter the level and form of conflict in ways that maximize its benefits and minimize its dysfunctional consequences.
Conflict triangle	:	Conflicting parties involve a third person rather than dealing directly with each other.
Confrontation meetings	:	The gathering and analysis of information related to intra- and intergroup conflict followed by the formulation of a plan of action by the participants for the purpose of resolving these problems.
Confucian dynamism	:	Theory that Confucian teachings affect attitudes toward time, persistence, ordering by status, protection of face, respect for tradition, and reciprocation of gifts and favors.
Confucian work ethic	:	Same as the Protestant work ethic. The term is used in Asian nations where Confucianism is a major religion.

<i>Conglomerate investment</i>	:	A type of high-risk investment in which goods or services produced are not similar to those produced at home.
<i>Conglomerate merger</i>	:	The merger of a firm in one industry with a firm in another industry (with a firm that is neither a supplier, customer, nor competitor).
<i>Conglomerates</i>	:	Firms that produce goods and services in two or more separate industries.
<i>Connection</i>	:	The extent of formal linkages between the site and other sites.
<i>Conscientiousness</i>	:	A “Big Five” personality dimension that characterizes people who are careful, dependable, and self-disciplined.
<i>Consensus</i>	:	Presenting opinions and gaining agreement to support a decision.
<i>Conservative</i>	:	In American political usage, a conservative advocates minimum government activity.
<i>Consideration</i>	:	Creating mutual respect and trust with followers.
<i>Constant returns to specialization</i>	:	The units of resources required to produce a good are assumed to remain constant no matter where one is on a country’s production possibility frontier.
<i>Constant-cost industry</i>	:	An industry in which expansion by the entry of new firms has no effect on the prices firms in the industry must pay for resources and thus no effect on production costs.
<i>Constructive conflict</i>	:	Occurs when team members debate their different perceptions about an issue in a way that keeps the conflict focused on the task rather than people.
<i>Consumer goods</i>	:	Products and services that satisfy human wants directly.
<i>Consumer Price Index (CPI)</i>	:	An index that measures the prices of a fixed “market basket” of some 300 goods and services bought by a “typical” consumer.
<i>Consumer sovereignty</i>	:	Determination by consumers of the types and quantities of goods and services that will be produced with the scarce resources of the economy; consumers’ direction of production through their dollar votes.
<i>Consumer surplus</i>	:	The difference between the maximum price a consumer is (or consumers are) willing to pay for an additional unit of a product and its market price; the triangular area below the demand curve and above the market price.

Consumer-to-business (C2B)	:	Business transactions that occur when consumers band together to form and present themselves as a buyer group to businesses. These groups may be economically motivated, as with the demand aggregator Mercata.com, or socially oriented, as with the cause-related advocacy groups at SpeakOut.com.
Consumption of fixed capital	:	An estimate of the amount of capital worn out or used up (consumed) in producing the gross domestic product; also called depreciation.
Consumption schedule	:	A schedule showing the amounts households plan to spend for consumer goods at different levels of disposable income.
Contact hypothesis	:	A theory stating that the more we interact with someone, the less we rely on stereotypes to understand that person.
Content	:	All digital subject matter on a website.
Content matrix	:	Shows what screens will be required in order to satisfy the user case, and defines what content will be required on each screen.
Content theories	:	Theories that explain work motivation in terms of what arouses, energizes, or initiates employee behavior.
Context	:	Information that surrounds a communication and helps to convey the message.
Context	:	The aesthetic and functional look-and-feel of a website (for example, graphics, colors, and design features).
Contingency approach	:	The idea that a particular action may have different consequences in different situations.
Contingency approach	:	Using management tools and techniques in a situationally appropriate manner; avoiding the one-best-way mentality.
Contingency approach to organization design	:	Creating an effective organization–environment fit.
Contingency factors	:	Variables that influence the appropriateness of a leadership style.
Contingency plan	:	Plan for the best or worst-case scenarios or for critical events that could have a severe impact on the firm.
Contingent work	:	Any job in which the individual does not have an explicit or implicit contract for long-term employment, or one in which the minimum hours of work can vary in a nonsystematic way.

Continuance commitment	:	A calculative decision to remain with an organization because quitting would be costly.
Continuous reinforcement	:	Reinforcing every instance of a behavior.
Contract	:	Document that specifies conditions of an exchange and details rights and obligations of involved parties.
Contract law	:	Body of law that governs contract enforcement.
Contract manufacturing	:	Manufacturing of a product or component by one company for another company. The two companies may or may not be related by stock ownership, common parent, or otherwise.
Contractionary fiscal policy	:	A decrease in government purchases for goods and services, an increase in net taxes, or some combination of the two, for the purpose of decreasing aggregate demand and thus controlling inflation.
Control strategy	:	Coping strategy that directly confronts or solves problems.
Control systems	:	Metrics used to measure performance of subunits.
Controllable forces	:	The forces internal to the firm that management administers to adapt to changes in the uncontrollable environmental forces.
Controlling	:	The process of evaluating results in relation to plans or objectives and deciding what action, if any, to take.
Controlling interest	:	A firm has a controlling interest in another business entity when it owns more than 50 percent of that entity's voting stock.
Convertible currencies	:	Currencies that may be changed for or converted into other currencies, at least for current account payments, without government permission.
Cooperative exporters	:	Established international manufacturers who export other manufacturers' goods as well as their own.
Co-opetition	:	Companies that are both competitors and collaborators at the same time.
Coordination failure	:	A situation in which people do not reach a mutually beneficial outcome because they lack some way to jointly coordinate their actions; a possible cause of macroeconomic instability.
Copayment	:	The percentage of (say, health care) costs that an insured individual pays while the insurer pays the remainder.

Coproduction	:	A form of industrial cooperation in which two or more factories produce components for a final product.
Copyright	:	Exclusive legal rights of authors, composers, playwrights, artists, and publishers to publish and dispose of their work as they see fit.
Copyright	:	A legal protection provided to developers and publishers of books, computer software, videos, and musical compositions against the copying of their works by others.
Copyright	:	The legal right of writers, publishers, and other creators to the exclusive ownership of their works.
Core competence	:	Firm skills that competitors cannot easily match or imitate.
Core job dimensions	:	Job characteristics found to various degrees in all jobs.
Corporate income tax	:	A tax levied on the net income (accounting profit) of corporations.
Corporate social responsibility (CSR)	:	An organization's moral obligation towards its stakeholders.
Corporate strategy	:	Action plan to enable an organization to reach its objectives.
Corporate ventures	:	Large corporations that set up venture funds as a subsidiary to make investments on behalf of the parent company.
Corporation	:	A legal entity ("person") chartered by a state or the Federal government that is distinct and separate from the individuals who own it.
Correlation	:	A systematic and dependable association between two sets of data (two kinds of events); does not necessarily indicate causation.
Cost of capital	:	Price of money.
Cost ratio	:	An equality showing the number of units of two products that can be produced with the same resources; the cost ratio 1 corn = 3 olives shows that the resources required to produce 3 units of olives must be shifted to corn production to produce a unit of corn.
Cost-benefit analysis	:	A comparison of the marginal costs of a government project or program with the marginal benefits to decide whether or not to employ resources in that project or program and to what extent.
Cost-of-living adjustment (COLA)	:	An automatic increase in the incomes (wages) of workers when inflation occurs; guaranteed by a collective bargaining contract between firms and workers.

Cost-push inflation	:	Increases in the price level (inflation) resulting from an increase in resource costs (for example, raw material prices) and hence in per-unit production costs; inflation caused by reductions in aggregate supply.
Cottage industry	:	Production away from a central factory, typically in the worker's own home or cottage. Workers are paid on a piece-rate basis, or so much for each unit produced.
Council of Economic Advisers (CEA)	:	A group of three persons that advises and assists the president of the United States on economic matters (including the preparation of the annual Economic Report of the President).
Council of Ministers	:	Represents the interests of EU members and has authority to approve EU laws.
Countercyclical payments	:	Cash subsidies paid to farmers when market prices for certain crops drop below targeted prices. Payments are based on previous production and are received regardless of the current crop grown.
Counterfeiting	:	Illegal use of a manufacturer's brand name or copies of a firm's merchandise.
Counterpower	:	The capacity of a person, team, or organization to keep a more powerful person or group in the exchange relationship.
Counterproductive work behaviors (CWBs)	:	Voluntary behaviors that are potentially harmful to the organization's effectiveness.
Counterpurchase	:	A reciprocal buying agreement.
Countertrade	:	The trade of goods and services for other goods and services.
Countertrade	:	A transaction in which goods are exchanged for goods. Payment by a purchaser is entirely or partially in goods instead of hard currencies for products or technology from other countries.
Countervailing duties	:	Antidumping duties.
Countervailing duty	:	An additional amount of tariff levied on an import that is found to have benefited from an export subsidy.
Country risk assessment (CRA)	:	Evaluating the risks before lending or investing in a country.
Country screening	:	Takes countries as the relevant unit of analysis for market screening.
Court of Justice	:	Supreme appeals court for EU law.

Covered investment or interest arbitrage	:	Investment in a second currency that is “covered” by a forward sale of that currency to protect against exchange rate fluctuations. Profit depends on interest rate differentials minus the discount or plus the premium on a forward sale.
Covering	:	Buying or selling foreign currencies in amounts equivalent to future payments to be made or received. A means of protection against loss due to fluctuations in currency exchange rates.
Craft union	:	A labor union that limits its membership to workers with a particular skill (craft).
Creative destruction	:	The hypothesis that the creation of new products and production methods simultaneously destroys the market power of existing monopolies.
Creativity	:	Developing an original product, service, or idea that makes a socially recognized contribution.
Creativity	:	Process of developing something new or unique.
Credit	:	An accounting item that increases the value of an asset (such as the foreign money owned by the residents of a nation).
Credit or money market hedge	:	Hedging by borrowing the currency of risk, converting it immediately to the ultimately desired currency, and repaying the loan when payment is received.
Credit union	:	An association of persons who have a common tie (such as being employees of the same firm or members of the same labor union) that sells shares to (accepts deposits from) its members and makes loans to them.
Cross elasticity of demand	:	The ratio of the percentage change in quantity demanded of one good to the percentage change in the price of some other good. A positive coefficient indicates the two products are substitute goods; a negative coefficient indicates they are complementary goods.
Cross investment	:	Foreign direct investment made by oligopolistic firms in each other’s home country as a defense measure.

Cross rate	:	The direct exchange rate between two non-U.S. dollar currencies. It is determined by observing the U.S. dollar exchange rate for each of the other two currencies and, from those rates, computing their direct exchange rate.
Cross-cultural literacy	:	Understanding how the culture of a country affects the way business is practiced.
Cross-cultural management	:	Understanding and teaching behavioral patterns in different cultures.
Cross-cultural school of management tho	:	An approach to international management holding that effective managerial behavior is a function of the specific culture
Cross-cultural training	:	Structured experiences to help people adjust to a new culture/country.
Cross-functionalism	:	Team made up of technical specialists from different areas.
Cross-licensing agreement	:	An arrangement in which a company licenses valuable intangible property to a foreign partner and receives a license for the partner's valuable knowledge; reduces risk of licensing.
Crowding model of occupational discrimination	:	A model of labor markets suggesting that occupational discrimination has kept many women and minorities out of high-paying occupations and forced them into a limited number of low-paying occupations.
Crowding-out effect	:	A rise in interest rates and a resulting decrease in planned investment caused by the Federal government's increased borrowing in the money market.
Cultural assimilator	:	A programmed learning technique designed to expose members of one culture to some of the basic concepts, attitudes, role perceptions, customs, and values of another culture.
Cultural controls	:	Achieving control by persuading subordinates to identify with the norms and value systems of the organization (self-control).
Culture	:	Beliefs and values about how a community of people should and do act.
Culture	:	The acquired knowledge that people use to interpret experience and to generate social behavior. This knowledge forms values, creates attitudes, and influences behavior.

Culture	:	The complex whole that includes knowledge, belief, art, morals, law, custom, and other capabilities acquired by a person as a member of society.
Culture	:	The rules, techniques, institutions, and artifacts that characterize human populations.
Culture shock	:	Anxiety and doubt caused by an overload of new expectations and cues.
Currency	:	Coins and paper money.
Currency area	:	The group of countries whose currencies are pegged to any one developed country currency. Many developing countries peg the value of their currency to that of their major developed country trading partner.
Currency board	:	Means of controlling a country's currency.
Currency crisis	:	Occurs when a speculative attack on the exchange value of a currency results in a sharp depreciation in the value of the currency or forces authorities to expend large volumes of international currency reserves and sharply increase interest rates to defend the prevailing exchange rate.
Currency exchange controls	:	A government's controls over how much foreign currency its residents or visitors can have and how much they must pay for it.
Currency intervention	:	A government's buying and selling of its own currency or foreign currencies to alter international exchange rates.
Currency speculation	:	Involves short-term movement of funds from one currency to another in hopes of profiting from shifts in exchange rates.
Currency swap	:	Simultaneous purchase and sale of a given amount of foreign exchange for two different value dates.
Currency swap	:	The exchange of one currency into another at an agreed rate and a reversal of that exchange at the same rate at the end of the swap contract period.
Currency translation	:	Converting the financial statements of foreign subsidiaries into the currency of the home country.
Current account	:	In the balance of payments, records transactions involving the export or import of goods and services.

Current account	:	The section in a nation's international balance of payments that records its exports and imports of goods and services, its net investment income, and its net transfers.
Current account deficit	:	The current account of the balance of payments is in deficit when a country imports more goods and services than it exports.
Current account surplus	:	The current account of the balance of payments is in surplus when a country exports more goods and services than it imports.
Current cost accounting	:	Method that adjusts all items in a financial statement to factor out the effects of inflation.
Current rate method	:	Using the exchange rate at the balance sheet date to translate the financial statements of a foreign subsidiary into the home currency.
Customer decision process	:	The process a customer goes through in deciding how to purchase and dispose of goods.
Customer metrics	:	Measurements intended to assess the management of customer relationships by the firm. Includes both customer interface metrics and customer outcome metrics.
Customer relationship management (CRM)	:	Technology system that helps the company serve, satisfy, and retain customers. CRM systems help companies store data about their customers as well as help employees better communicate and serve customers.
Customer support/handling processes	:	Process that handles customer questions, either when the customer is on the website or once the customer has completed a transaction.
Customhouse broker	:	Independent business that handles import shipments for compensation.
Customization	:	The personalization of communications between users and a website.
Customs union	:	A group of countries committed to (1) removing all barriers to the free flow of goods and services between each other and (2) the pursuit of a common external trade policy.
Customs union	:	An arrangement between two or more countries whereby they eliminate tariffs and other import restrictions on one another's goods and establish a common tariff on the goods from all other countries.

<i>Cyclical deficit</i>	:	A Federal budget deficit that is caused by a recession and the consequent decline in tax revenues.
<i>Cyclical unemployment</i>	:	A type of unemployment caused by insufficient total spending (or by insufficient aggregate demand).
<i>Cyclically balanced budget</i>	:	The equality of government expenditures and net tax collections over the course of a business cycle; deficits incurred during periods of recession are offset by surpluses obtained during periods of prosperity (inflation).