

Term	Brief Definition
D'Amato Act	: Act passed in 1996, similar to the Helms-Burton Act, aimed at Libya and Iran.
Data layer	: System layer whose main function is to provide fast, reliable access to the data needed to run the system.
Debit	: An accounting item that decreases the value of an asset (such as the foreign money owned by the residents of a nation).
Debt capital	: Money raised by selling bonds, the principal and interest on which must be repaid.
Debt default	: When a debtor fails or refuses to pay a debt.
Debt financing	: The type of financing in which a business borrows a certain amount of money for a specified time period and repays the principal with interest in regular payments.
Debt loan	: Requires a corporation to repay loan at regular intervals.
Debt rescheduling	: Defaulted debt is renegotiated, giving the debtor a longer time to pay, a lower interest rate, or both.
Decentralization	: Pushing decision making down the line and getting the lower-level personnel involved.
Decentralized decision making	: Lower-level managers are empowered to make important decisions.
Decision making	: A conscious process of making choices among one or more alternatives with the intention of moving toward some desired state of affairs.
Decision making	: Identifying and choosing solutions that lead to a desired end result.
Decision making	: The process of choosing a course of action among alternatives.
Decision-making style	: A combination of how individuals perceive and respond to information.
Declining industry	: An industry in which economic profits are negative (losses are incurred) and that will, therefore, decrease its output as firms leave it.
Decreasing-cost industry	: An industry in which expansion through the entry of firms lowers the prices that firms in the industry must pay for resources and therefore decreases their production costs.

Deductible	:	The dollar sum of (for example, health care) costs that an insured individual must pay before the insurer begins to pay.
Deferral principle	:	Parent companies are not taxed on the income of a foreign subsidiary until they actually receive a dividend from that subsidiary.
Deflating	:	Finding the real gross domestic product by decreasing the dollar value of the GDP for a year in which prices were higher than in the base year.
Deflation	:	A decline in the economy's price level.
Delayed differentiation	:	A manufacturing strategy in which all products are manufactured in the same way for all countries or regions until as late in the assembly process as possible, with differentiation of features or components introduced in the final stages of production.
Delaying	:	Removing levels of middle management.
Delegation	:	Granting decision-making authority to people at lower levels.
Delphi technique	:	A structured team decision-making process of systematically pooling the collective knowledge of experts on a particular subject to make decisions, predict the future, or identify opposing views.
Delphi technique	:	Process to generate ideas from physically dispersed experts.
Demand	:	A schedule showing the amounts of a good or service that buyers (or a buyer) wish to purchase at various prices during some time period.
Demand curve	:	A curve illustrating demand.
Demand factor (in growth)	:	The increase in the level of aggregate demand that brings about the economic growth made possible by an increase in the production potential of the economy.
Demand management	:	The use of fiscal policy and monetary policy to increase or decrease aggregate demand.
Demand-pull inflation	:	Increases in the price level (inflation) resulting from an excess of demand over output at the existing price level, caused by an increase in aggregate demand.
Democracy	:	Political system in which government is by the people, exercised either directly or through elected representatives.
Demonstration effect	:	The result of having seen others with desirable goods.

Demurrage	:	Charge assessed by a carrier on an exporter or an importer for excess time taken to unload or load a vessel.
Dependent variable	:	A variable that changes as a consequence of a change in some other (independent) variable; the “effect” or outcome.
Depository institutions	:	Firms that accept deposits of money from the public (businesses and persons); commercial banks, savings and loan associations, mutual savings banks, and credit unions.
Depreciation (of the dollar)	:	A decrease in the value of the dollar relative to another currency, so a dollar buys a smaller amount of the foreign currency and therefore of foreign goods.
Depreciation of a currency	:	A decline in the value of a currency in terms of another currency or in terms of gold. Depreciation and devaluation are used interchangeably.
Deregulation	:	Removal of government restrictions concerning the conduct of a business.
Derivatives	:	A contract, the value of which changes in concert with the price movements in a related or underlying commodity or financial instrument. The term covers standardized exchange-traded futures and options as well as over-the-counter swaps, options, and other customized instruments.
Derived demand	:	The demand for a resource that depends on the demand for the products it helps to produce.
Destination site	:	Provides almost exclusively site-generated content with very few links to other websites.
Determinants of aggregate demand	:	Factors such as consumption spending, investment, government spending, and net exports that, if they change, shift the aggregate demand curve.
Determinants of aggregate supply	:	Factors such as input prices, productivity, and the legal-institutional environment that, if they change, shift the aggregate supply curve.
Determinants of demand	:	Factors other than price that determine the quantities demanded of a good or service.
Determinants of supply	:	Factors other than price that determine the quantities supplied of a good or service.

Devaluation	:	Depreciation of a currency by official government action.
Devaluation	:	A decrease in the governmentally defined value of a currency.
Developed	:	A classification for all industrialized nations, that is, those that are more developed technically.
Developed countries (DCs)	:	Industrialized countries.
Developing	:	A classification for the world's lower-income nations that are less technically developed.
Developing countries	:	Many countries of Africa, Asia, and Latin America that are characterized by lack of capital goods, use of non-advanced technologies, low literacy rates, high unemployment, rapid population growth, and labor forces heavily committed to agriculture.
Development banks	:	Banks that aid developing countries in economic development. They may lend or invest money and encourage local ownership. They may be worldwide, regional, or national.
Development practices	:	Focus on preparing diverse employees for greater responsibility and advancement.
Developmental relationship strength	:	The quality of relationships among people in a network.
Devil's advocacy	:	Assigning someone the role of critic.
Dialectic method	:	Fostering a debate of opposing viewpoints to better understand an issue.
Dialogue	:	A process of conversation among team members in which they learn about each other's mental models and assumptions, and eventually form a common model for thinking within the team.
Differentiated oligopoly	:	An oligopoly in which the firms produce a differentiated product.
Differentiated product	:	A product that differs physically or in some other way from the similar products produced by other firms; a product such that buyers are not indifferent to the seller when the price charged by all sellers is the same.
Differentiation	:	Division of labor and specialization that causes people to think and act differently.
Diffuse culture	:	A culture in which both public and private space are similar in size and individuals guard their public space carefully, because entry into public space also affords entry into private space as well.

Diffusion	:	The spread of an innovation through its widespread imitation.
Digital	:	A binary language of computers that allows for easy generation, processing, and transmission of signals with the assistance of microprocessors. The binary language is a series of discrete bits represented by 0 or 1.
Digital certificate	:	A piece of software provided by a trusted thirdparty certification authority that contains a person's or company's public encryption key and verification of that person's or company's identity.
Digital divide	:	The gap between people who have computers (and/or computer skills) and people who do not.
Digital lifestyle	:	The idea that, as media-based household appliances become digitally based and interconnected, they will become the basic commodity of human interactions.
Digital Millennium Copyright Act (DMCA)	:	Signed into law in 1998 to implement the provisions of the WIPO treaties, which prohibit the circumvention of copyright protection systems, and to state that a copyright owner cannot hold an online service provider liable if one of its subscribers infringes on the owner's copyright.
Digital subscriber line (DSL)	:	A set of digital telecommunications protocols designed to allow high-speed data communication over the existing copper telephone lines between users and telephone companies.
Dilemma of regulation	:	The tradeoff faced by a regulatory agency in setting the maximum legal price a monopolist may charge
Diminishing returns to specialization	:	Applied to international trade theory, the more of a good that a country produces, the greater the units of resources required to produce each additional item.
Direct communications	:	One of the categories of market communications. This type can take many forms, including the use of the classic business-to-business sales representative calling on accounts, retail sales clerks, and telephone customer sales representatives, as well as the use of direct marketing and telemarketing.
Direct competitors	:	Companies offering similar or competing products.

Direct controls	:	The use of face-to-face or personal meetings for the purpose of monitoring operations.
Direct exporting	:	The exporting of goods and services by the firm that produces them.
Direct foreign investment	:	The building of new factories (or the purchase of existing capital) in a particular nation by corporations of other nations.
Direct investment	:	Sufficient investment to obtain at least some voice in management. The U.S. government considers 10 percent or more equity in a foreign company to be direct investment.
Direct marketing	:	Marketing that involves directly contacting customers (typically by phone or mail) with the intent of making an immediate sale.
Direct payments	:	Cash subsidies paid to farmers based on past production levels; unaffected by current crop prices and current production.
Direct relationship	:	The relationship between two variables that change in the same direction, for example, product price and quantity supplied.
Dirty float	:	A currency that floats in value in terms of other currencies but is not free of government intervention. Governments intervene to “smooth” or “manage” fluctuations or to maintain desired exchange rates.
Dirty-float system	:	A system under which a country’s currency is nominally allowed to float freely against other currencies, but in which the government will intervene, buying and selling currency, if it believes that the currency has deviated too far from its fair value.
Discount rate	:	The interest rate that the Federal Reserve Banks charge on the loans they make to commercial banks and thrift institutions.
Discouraged workers	:	Employees who have left the labor force because they have not been able to find employment.
Discretionary fiscal policy	:	Deliberate changes in taxes (tax rates) and government spending by Congress to promote full employment, price stability, and economic growth.
Discretionary income	:	The amount of income remaining after paying taxes and making essential purchases.

Discrimination	:	The practice of according individuals or groups inferior treatment in hiring, occupational access, education and training, promotion, wage rates, or working conditions even though they have the same abilities, education and skills, and work experience as other workers.
Discrimination coefficient	:	A measure of the cost or disutility of prejudice; the monetary amount an employer is willing to pay to hire a preferred worker rather than a non-preferred worker.
Diseconomies of scale	:	Increases in the average total cost of producing a product as the firm expands the size of its plant (its output) in the long run.
Disinflation	:	A reduction in the rate of inflation.
Disposable income	:	The amount of income remaining after taxes.
Disposable income	:	Personal income less personal taxes; income available for personal consumption expenditures and personal saving.
Dissaving	:	Spending for consumer goods and services in excess of disposable income; the amount by which personal consumption expenditures exceed disposable income.
Distributed architecture	:	System of server, loosely coupled across dispersed networks that work together to deliver a website.
Distributive justice	:	The perceived fairness in outcomes we receive relative to our contributions and the outcomes and contributions of others.
Distributive justice	:	The perceived fairness of how resources and rewards are distributed.
Distributive justice principle	:	The moral principle stating that people who are similar should be rewarded similarly, and those dissimilar should be rewarded differently in proportion to those differences.
Distributors	:	Independent importers who buy for their own account for resale.
District export councils	:	Groups of volunteer businesspeople in every state that are appointed by the U.S. Department of Commerce to assist exporters.
Divergent thinking	:	Reframing a problem in a unique way and generating different approaches to the issue.
Diversity	:	The host of individual differences that make people different from and similar to each other.

<i>Diversity of developmental relationships</i>	:	The variety of people in a network used for developmental assistance.
<i>Dividends</i>	:	Payments by a corporation of all or part of its profit to its stockholders (the corporate owners).
<i>Division of labor</i>	:	The separation of the work required to produce a product into a number of different tasks that are performed by different workers; specialization of workers.
<i>Divisional structure</i>	:	An organizational structure that groups employees around geographic areas, clients, or outputs.
<i>Doctrine of comity</i>	:	A jurisdictional principle of international law which holds that there must be mutual respect for the laws, institutions, and government of other countries in the matter of jurisdiction over their own citizens.
<i>Documentary drafts</i>	:	Drafts accompanied by such documents as invoices, bills of lading, inspection certificates, and insurance papers.
<i>Doha Round</i>	:	The latest, uncompleted (as of 2003) sequence of trade negotiations by members of the World Trade Organization; named after Doha, Qatar, where the set of negotiations began.
<i>Dollar votes</i>	:	The “votes” that consumers and entrepreneurs cast for the production of consumer and capital goods, respectively, when they purchase those goods in product and resource markets.
<i>Domain name</i>	:	The name-based address of a website or other server that is mapped to the server’s IP address (e.g., www.yahoo.com).
<i>Domain Name System (DNS)</i>	:	Gives each computer on the Internet an address comprised of easily recognizable letters and words that could be used instead of a numeric IP address.
<i>Domestic capital formation</i>	:	The process of adding to a nation’s stock of capital by saving and investing part of its own domestic output.
<i>Domestic environment</i>	:	All the uncontrollable forces originating in the home country that surround and influence the firm’s life and development.
<i>Domestic international sales corporation (DISC)</i>	:	A subsidiary corporation of a U.S. company that is incorporated in a state of the United States for the purpose of exporting from the United States. DISCs are given certain tax advantages. Generally, they have been superseded by foreign sales corporations.

Domestic output	:	Gross (or net) domestic product; the total output of final goods and services produced in the economy.
Domestic price	:	The price of a good or service within a country, determined by domestic demand and supply.
Domestication	:	Term used to indicate process in which a host government brings pressure to force a foreign owner to turn over partial ownership to the host country government or host country citizens.
Double taxation	:	The taxation of both corporate net income (profits) and the dividends paid from this net income when they become the personal income of households.
Downward communication	:	The transmission of information from superior to subordinate.
Draft	:	An order written by an exporter telling an importer what and when to pay.
Drafts (bills of exchange)	:	Orders drawn by a drawer that order a second party, the drawee, to pay a sum of money to a payee. The payee may be the same party as the drawer.
Drawback	:	The reimbursement of the tariff paid on an imported component that is later exported. When a component is imported into the United States, a tariff is levied on it and paid by the importer. If that component is later exported, the exporter is entitled to get 99 percent of the tariff amount from U.S. Customs.
Drawee	:	The party to whom a bill of lading is presented.
Due diligence	:	A careful process on the part of a potential investor to check on the validity of a business plan and the expertise of any individuals involved. During this process, references are checked, management team individuals interviewed, and business ideas tested. Potential customers may be interviewed about the likelihood of purchasing or using the company's product or service.
Dumping	:	Selling goods in a foreign market for less than their cost of production or below their "fair" market value.
Dumping	:	Selling abroad at prices lower than those charged in the home or other markets.

Dumping	:	The sale of products below cost in a foreign country or below the prices charged at home.
DuPont cellophane case	:	The antitrust case brought against DuPont in which the U.S. Supreme Court ruled (in 1956) that while DuPont had a monopoly in the narrowly defined market for cellophane, it did not monopolize the more broadly defined market for flexible packaging materials. It was thus not guilty of violating the Sherman Act.
Durable good	:	A consumer good with an expected life (use) of 3 or more years.
Duties (tariffs)	:	Amounts charged when goods are imported into a country. If such duties are based on the values of the goods, they are called ad valorem. If they are based on the number of items imported, they are called specific.
Dysfunctional conflict	:	Threatens organization's interests.
Earned income	:	Income derived from efforts, labor, sales, or active participation in business. Salaries, wages, bonuses, and commissions are examples. Unearned income is a return on investment of money or time. Examples are interest, dividends, and royalties. The distinction is important for purposes of U.S. taxation of American residents abroad.
Earned-income tax credit	:	A refundable Federal tax credit for low-income working people designed to reduce poverty and encourage labor-force participation.
Earnings	:	The money income received by a worker; equal to the wage (rate) multiplied by the amount of time worked.
East-West trade	:	Trade between the centrally planned economies of the communist bloc (East) and the more market-oriented economies of the OECD nations (West). Recent developments, such as the breakup of the Soviet Union and the end of the COMECON trade bloc that it dominated, have reduced the number of avowedly communist countries. Many of those countries are trying to achieve market economies and democracy, but progress is slow and difficult at best.
Easy money policy	:	Federal Reserve System actions to increase the money supply to lower interest rates and expand real GDP.
E-business	:	Running the entire business via the Internet.

<i>Eclectic paradigm</i>	:	Argument that combining location-specific assets or resource endowments and the firm's own unique assets often requires FDI; it requires the firm to establish production facilities where those foreign assets or resource endowments are located.
<i>E-commerce</i>	:	Conducting business online through the Internet.
<i>E-commerce</i>	:	Technology-mediated exchanges between parties (individuals or organizations), as well as the electronically based intra- or interorganizational activities that facilitate such exchanges.
<i>Economic analysis</i>	:	The process of deriving economic principles from relevant economic facts.
<i>Economic and monetary union (EMU)</i>	:	A number of European countries replaced their national currencies with the euro and subjected their national banks to the European Central Bank (ECB) with regard to monetary policy.
<i>Economic concentration</i>	:	A description or measure of the degree to which an industry is dominated by one or a handful of firms or is characterized by many firms.
<i>Economic cost</i>	:	A payment that must be made to obtain and retain the services of a resource; the income a firm must provide to a resource supplier to attract the resource away from an alternative use; equal to the quantity of other products that cannot be produced when resources are instead used to make a particular product.
<i>Economic efficiency</i>	:	The use of the minimum necessary resources to obtain the socially optimal amounts of goods and services; entails both productive efficiency and allocative efficiency.
<i>Economic exposure</i>	:	The extent to which a firm's future international earning power is affected by changes in exchange rates.
<i>Economic growth</i>	:	(1) An outward shift in the production possibilities curve that results from an increase in resource supplies or quality or an improvement in technology; (2) an increase of real output (gross domestic product) or real output per capita.
<i>Economic imperative</i>	:	A worldwide strategy based on cost leadership, differentiation, and segmentation.

<i>Economic law</i>	:	An economic principle that has been tested and retested and has stood the test of time.
<i>Economic model</i>	:	A simplified picture of economic reality; an abstract generalization.
<i>Economic perspective</i>	:	A viewpoint that envisions individuals and institutions making rational decisions by comparing the marginal benefits and marginal costs associated with their actions.
<i>Economic policy</i>	:	A course of action intended to correct or avoid a problem.
<i>Economic principle</i>	:	A widely accepted generalization about the economic behavior of individuals or institutions.
<i>Economic profit</i>	:	The total revenue of a firm less its economic costs (which include both explicit costs and implicit costs); also called “pure profit” and “above-normal profit.”
<i>Economic rent</i>	:	The price paid for the use of land and other natural resources, the supply of which is fixed (perfectly inelastic).
<i>Economic resources</i>	:	The land, labor, capital, and entrepreneurial ability that are used in the production of goods and services; productive agents; factors of production.
<i>Economic risk</i>	:	The likelihood that events, including economic mismanagement, will cause drastic changes in a country’s business environment that adversely affect the profit and other goals of a particular business enterprise.
<i>Economic system</i>	:	A particular set of institutional arrangements and a coordinating mechanism for solving the economizing problem; a method of organizing an economy, of which the market system and the command system are the two general types.
<i>Economic theory</i>	:	A statement of a cause-effect relationship; when accepted by all economists, an economic principle.
<i>Economic union</i>	:	A group of countries committed to (1) removing all barriers to the free flow of goods, services, and factors of production between each other, (2) the adoption of a common currency, (3) the harmonization of tax rates, and (4) the pursuit of a common external trade policy.

Economics	:	The social science dealing with the use of scarce resources to obtain the maximum satisfaction of society's virtually unlimited economic wants.
Economies of scale	:	Cost advantages associated with large-scale production.
Economies of scale	:	Reductions in the average total cost of producing a product as the firm expands the size of plant (its output) in the long run; the economies of mass production.
Economizing problem	:	The choices necessitated because society's economic wants for goods and services are unlimited but the resources available to satisfy these wants are limited (scarce).
Ecu	:	A basket of EU currencies that served as the unit of account for the EMS.
Edge Act corporation	:	A subsidiary of a U.S. commercial bank that operates in a foreign country. The Edge subsidiary, operating abroad, is free of restraints of U.S. law and may perform whatever services and functions are legal in the countries where it operates.
Efficiency factors (in growth)	:	The capacity of an economy to combine resources effectively to achieve growth of real output that the supply factors (of growth) make possible.
Efficiency loss	:	Reductions in combined consumer and producer surplus caused by an under-allocation or over-allocation of resources to the production of a good or service.
Efficiency loss of a tax	:	The loss of net benefits to society because a tax reduces the production and consumption of a taxed good below the level of allocative efficiency.
Efficiency wage	:	A wage that minimizes wage costs per unit of output by encouraging greater effort or reducing turnover.
Efficient allocation of resources	:	That allocation of an economy's resources among the production of different products that leads to the maximum satisfaction of consumers' wants, thus producing the socially optimal mix of output with society's scarce resources.
Efficient market	:	A market where prices reflect all available information.

Effort-to-performance (E-to-P) expectancy	:	The individual's perceived probability that his or her effort will result in a particular level of performance.
Egg diagram	:	Maps the products and services of a particular company (or website) onto the customer decision process.
Eiffel Tower culture	:	A culture that is characterized by a strong emphasis on hierarchy and orientation to the task.
Elastic demand	:	Product or resource demand whose price elasticity is greater than 1. This means the resulting change in quantity demanded is greater than the percentage change in price.
Elastic supply	:	Product or resource supply whose price elasticity is greater than 1. This means the resulting change in quantity supplied is greater than the percentage change in price.
Elasticity coefficient	:	The number obtained when the percentage change in quantity demanded (or supplied) is divided by the percentage change in the price of the commodity.
Electronic brainstorming	:	Using special computer software, participants share ideas while minimizing the team dynamics problems inherent in traditional brainstorming sessions.
Electronic mail	:	Uses the Internet/intranet to send computer generated text and documents.
E-mail	:	Messages sent and received electronically via telecommunication links, as between microcomputers or terminals.
Emotional contagion	:	The automatic and unconscious tendency to mimic and synchronize one's own nonverbal behaviors with those of other people.
Emotional culture	:	A culture in which emotions are expressed openly and naturally.
Emotional dissonance	:	A conflict between a person's required and true emotions.
Emotional intelligence	:	Ability to manage oneself and interact with others in mature and constructive ways.
Emotional intelligence (EI)	:	The ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in oneself and others.

Emotional labor	:	The effort, planning, and control needed to express organizationally desired emotions during interpersonal transactions.
Emotions	:	Psychological and physiological episodes toward an object, person, or event that create a state of readiness.
Emotions	:	Complex human reactions to personal achievements and setbacks that may be felt and displayed.
Empathy	:	A person's understanding and sensitivity to the feelings, thoughts, and situation of others.
Employability	:	An employment relationship in which people perform a variety of work activities rather than hold specific jobs, and are expected to continuously learn skills that will keep them employed.
Employee assistance programs (EAPs)	:	Counseling services that help employees overcome personal or organizational stressors and adopt more effective coping mechanisms.
Employee facilities	:	Schools, cafeterias, housing, recreation, or other employer-provided facilities.
Employee involvement	:	The degree to which employees influence how their work is organized and carried out.
Employee stock ownership plans (ESOPs)	:	A reward system that encourages employees to buy stock in the company.
Employment Act of 1946	:	Federal legislation that committed the Federal government to the maintenance of economic stability (a high level of employment, a stable price level, and economic growth); established the Council of Economic Advisers and the Joint Economic Committee; and required an annual economic report by the president to Congress.
Employment discrimination	:	Inferior treatment in hiring, promotions, work assignments, and such for a particular group of employees.
Employment rate	:	The percentage of the labor force employed at any time.
Empowerment	:	A psychological concept in which people experience more selfdetermination, meaning, competence, and impact regarding their role in the organization.

Empowerment	:	Sharing varying degrees of power with lower-level employees to tap their full potential.
Empowerment	:	The process of giving individuals and teams the resources, information, and authority they need to develop ideas and effectively implement them.
Enacted values	:	The values and norms that are exhibited by employees.
Encounter phase	:	Employees learn what the organization is really like and reconcile unmet expectations.
Encryption	:	Technology that uses complex mathematical formulas to encode and decode information.
Ending rate	:	The spot exchange rate when budget and performance are being compared.
Enterprise resource planning (ERP)	:	Allows a businesses to establish an internal digital nervous system whereby data is shared electronically— using a company intranet—among corporate managers.
Enterprise unions	:	Unions that represent both the hourly and salaried employees of a particular company.
Entitlement programs	:	Government programs such as social insurance, food stamps, Medicare, and Medicaid that guarantee particular levels of transfer payments or non-cash benefits to all who fit the programs' criteria.
Entrepreneurial ability	:	The human resource that combines the other resources to produce a product, makes non-routine decisions, innovates, and bears risks.
Environment	:	All the forces surrounding and influencing the life and development of the firm.
Environmental scanning	:	The process of providing management with accurate forecasts of trends related to external changes in geographic areas where the firm currently is doing business and/or is considering setting up operations.
Environmental scanning	:	Procedure in which a firm scans the world for changes in the environmental forces that might affect it.

Equal Pay Act of 1963	:	Federal government legislation making it illegal to pay men and women different wage rates if they do equal work on jobs that require equal skill, effort, and responsibility and that are performed under similar working conditions.
Equality-versus-efficiency tradeoff	:	The decrease in economic efficiency that may accompany a decrease in income inequality; the presumption that some income inequality is required to achieve economic efficiency.
Equation of exchange	:	$MV = PQ$, in which M is the supply of money, V is the velocity of money, P is the price level, and Q is the physical volume of final goods and services produced.
Equilibrium price	:	The price in a competitive market at which the quantity demanded and the quantity supplied are equal, there is neither a shortage nor a surplus, and there is no tendency for price to rise or fall.
Equilibrium price level	:	The price level at which the aggregate demand curve intersects the aggregate supply curve.
Equilibrium quantity	:	(1) The quantity demanded and supplied at the equilibrium price in a competitive market; (2) the profit-maximizing output of a firm.
Equilibrium real domestic output	:	The gross domestic product at which the total quantity of final goods and services purchased (aggregate expenditures) is equal to the total quantity of final goods and services produced (the real domestic output); the real domestic output at which the aggregate demand curve intersects the aggregate supply curve.
Equity capital	:	Money raised by selling corporate stock that represents ownership of the corporation.
Equity financing	:	The type of financing in which a business exchanges a portion of ownership for cash, and the investor expects financial return in the future as the value of the business goes up.
Equity loan	:	Occurs when a corporation sells stock to an investor.
Equity sensitivity	:	A person's outcome/input preferences and reaction to various outcome/input ratios.
Equity sensitivity	:	An individual's tolerance for negative and positive equity.
Equity theory	:	A theory that explains how people develop perceptions of fairness in the distribution and exchange of resources.

Equity theory	:	Holds that motivation is a function of fairness in social exchanges.
Equity theory	:	A theory which holds that people's motivation is determined by how fairly they feel they are being treated.
Equity-related bonds	:	Bonds that are convertible at the option of the holder into other securities of the issuer, usually common stock-type equity. Called convertibles in the United States.
Erasmus	:	European Union action scheme for the mobility of university students.
ERG theory	:	Alderfer's motivation theory of three instinctive needs arranged in a hierarchy, in which people progress to the next higher need when a lower one is fulfilled, and regress to a lower need if unable to fulfill a higher one.
ERG theory	:	Three basic needs—existence, relatedness, and growth—influence behavior.
Escalation of commitment	:	The tendency to repeat an apparently bad decision or allocate more resources to a failing course of action.
Escalation of commitment	:	Sticking to an ineffective course of action too long.
Escape clause	:	A legal provision concerning products whose tariffs have been reduced. If, thereafter, imports increase and threaten the domestic producers of those products, the escape clause permits the tariffs to be put back up.
Escape strategy	:	Coping strategy that avoids or ignores stressors and problems.
Espoused values	:	The stated values and norms that are preferred by an organization.
Esteem needs	:	The needs for power and status.
Estimation by analogy	:	Using a market factor that is successful in one market to estimate demand in a similar market.
Ethical sensitivity	:	A personal characteristic that enables people to recognize the presence and determine the relative importance of an ethical issue.
Ethical systems	:	Cultural beliefs about what is proper behavior and conduct.
Ethics	:	The study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad.

Ethics	:	The study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad.
Ethics	:	Study of moral issues and choices.
Ethics	:	The study of morality and standards of conduct.
Ethnocentric behavior	:	Behavior that is based on the belief in the superiority of one's own ethnic group or culture; often shows disregard or contempt for the culture of other countries.
Ethnocentric MNC	:	An MNC that stresses nationalism and often puts home office people in charge of key international management positions.
Ethnocentric predisposition	:	A nationalistic philosophy of management whereby the values and interests of the parent company guide the strategic decisions.
Ethnocentric staffing	:	A staffing approach within the MNE in which all key management positions are filled by parent-country nationals.
Ethnocentricity	:	A belief in the superiority of one's own ethnic group.
Ethnocentrism	:	Belief that one's native country, culture, language, and behavior are superior.
Ethnocentrism	:	The belief that one's own way of doing things is superior to that of others.
Ethnocentrism	:	Belief in the superiority of one's own ethnic group or culture.
EU Commission	:	EU executive institution that runs the day-to-day operations of the EU.
EU Council of Ministers	:	EU policy setting institution.
EU Court of Justice	:	EU court that decides issues arising from the Treaty of Rome (which established the predecessor of the EU) as amended.
EU Parliament	:	EU institution containing representatives popularly elected from the member-nations.
Euro	:	The name of the single currency that has replaced national currencies of European countries which become part of the economic and monetary union (EMU).

Euro	:	The common currency unit used by 12 European nations (as of 2003) in the Euro zone, which consists of Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain.
Eurobonds	:	A bond placed in countries other than the one in whose currency the bond is denominated.
Eurobonds	:	Bonds that are issued outside the restriction applying to domestic offerings and are syndicated and traded mostly from London. Most of these bonds are denominated in U.S. dollars.
Eurocurrency	:	Any currency banked outside its country of origin.
Eurocurrency	:	A currency being used or traded outside the country that issued it.
Eurodollar	:	Dollar banked outside the United States.
Eurodollar	:	The U.S. dollar is the most widely used Eurocurrency.
European Central Bank (ECB)	:	The bank that establishes monetary policy of countries that become part of the EMU.
European Commission	:	Responsible for proposing EU legislation, implementing it, and monitoring compliance.
European Council	:	Consists of the heads of state of EU members and the president of the European Commission.
European Currency Unit (ECU)	:	A currency unit established by the European Monetary System. Its value is determined by reference to the value of a "basket" of currencies. The currencies in the basket are those of the system's member countries. The ECU has been superseded by the euro.
European Economic Area	:	The European Free Trade Area consisting of the EU and EFTA.
European Free Trade Association (EFTA)	:	A free trade association including Norway, Iceland, and Switzerland.
European Monetary Cooperation Fund (EMCF)	:	Lends assistance to EMS member-countries that have difficulties in keeping their currencies within the agreed value relationships.
European Monetary System (EMS)	:	EU system designed to create a zone of monetary stability in Europe, control inflation, and coordinate exchange rate policies of EU countries.

European Monetary System (EMS)	:	A system, established in 1979, under which West European countries agreed to keep their currency values within an established range in relation to one another.
European Parliament	:	Elected EU body that provides consultation on issues proposed by European Commission.
European Research Cooperation Agency	:	An agency that funds projects in the fields of energy, medical technology, biotechnology, communications, and the like, with the objective of making Europe more productive and competitive in the world market.
European Union (EU)	:	An economic group of 15 European nations Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Greece, the Netherlands, Ireland, Italy, Luxembourg, Portugal, Spain, and Sweden. Established as a customs union, it is now moving toward economic union. (Formerly the European Community.)
European Union (EU)	:	Supranational entity of 15 European countries working toward European economic and political integration. Negotiations are under way with additional possible member countries.
European Union (EU)	:	An association of 25 European nations including 10 nations to be added in 2004 that has eliminated tariffs and quotas among them, established common tariffs for imported goods from outside the member nations, eliminated barriers to the free movement of capital, and created other common economic policies.
Eustress	:	Stress that is good or produces a positive outcome.
Evaluation and compensation systems	:	The systems within an organization that are set up to evaluate and reward performance. Compensation can include monetary and nonmonetary rewards.
Evaluation apprehension	:	When individuals are reluctant to mention ideas that seem silly because they believe (often correctly) that other team members are silently evaluating them.
Excess capacity	:	Plant resources that are underused when imperfectly competitive firms produce less output than that associated with achieving minimum average total cost.

Excess reserves	:	The amount by which a bank's or thrift's actual reserves exceed its required reserves; actual reserves minus required reserves.
Exchange rate	:	The rate at which one currency is converted into another.
Exchange rate	:	The price of one currency stated in another currency.
Exchange rate	:	The rate of exchange of one nation's currency for another nation's currency.
Exchange rate mechanism (ERM)	:	Mechanism for aligning the exchange rates of EU currencies against each other.
Exchange rate risk	:	In activities involving two or more currencies, the risk that losses can occur as a result of changes in their relative value.
Exchange-rate appreciation	:	An increase in the value of a nation's currency in foreign exchange markets; an increase in the rate of exchange for foreign currencies.
Exchange-rate depreciation	:	A decrease in the value of a nation's currency in foreign exchange markets; a decrease in the rate of exchange for foreign currencies.
Exchange-rate determinant	:	Any factor other than the rate of exchange that determines a currency's demand and supply in the foreign exchange market.
Excise tax	:	A tax levied on the production of a specific product or on the quantity of the product purchased.
Exclusive channels	:	A distribution channel that outsiders find difficult to access.
Exclusive unionism	:	The practice of a labor union of restricting the supply of skilled union labor to increase the wages received by union members; the policies typically employed by a craft union.
Executive coaching	:	A helping relationship using behavioral methods to assist clients in identifying and achieving goals for their professional performance and personal satisfaction.
Exhaustive expenditure	:	An expenditure by government resulting directly in the employment of economic resources and in the absorption by government of the goods and services those resources produce; a government purchase.
Eximbank (Export-Import Bank)	:	Principal federal government agency that aids American exporters by means of loans, guarantees, and insurance programs.
Existence needs	:	A person's physiological and physically related safety needs, such as the need for food, shelter, and safe working conditions.

Exit mechanism	:	The process of leaving a job and searching for another one as a means of improving one's working conditions.
Exit-voice-loyalty-neglect (EVNL) model	:	The four ways, as indicated in the name, employees respond to job dissatisfaction.
Expanding industry	:	An industry whose firms earn economic profits and for which an increase in output occurs as new firms enter the industry.
Expansionary fiscal policy	:	An increase in government purchases of goods and services, a decrease in net taxes, or some combination of the two for the purpose of increasing aggregate demand and expanding real output.
Expatriate	:	Anyone living or working in a foreign country.
Expatriate	:	A citizen of one country working in another country.
Expatriate failure	:	The premature return of an expatriate manager to the home country.
Expatriate manager	:	A national of one country appointed to a management position in another country.
Expatriates	:	Those who live and work away from their home country. They are citizens of the country where the multinational corporation is headquartered.
Expectancy	:	Belief that effort leads to a specific level of performance.
Expectancy theory	:	The motivation theory based on the idea that work effort is directed toward behaviors that people believe will lead to desired outcomes.
Expectancy theory	:	Holds that people are motivated to behave in ways that produce valued outcomes.
Expectancy/Valence theory	:	A theory which postulates that motivation is influenced by a person's belief that effort will lead to performance, that performance will lead to specific outcomes, and that these outcomes are valued by the individual.
Expectations	:	The anticipations of consumers, firms, and others about future economic conditions.
Expected rate of return	:	The increase in profit a firm anticipates it will obtain by purchasing capital (or engaging in research and development); expressed as a percentage of the total cost of the investment (or R&D) activity.

Expenditures approach	:	The method that adds all expenditures made for final goods and services to measure the gross domestic product.
Experience curve	:	Systematic production cost reductions that occur over the life of a product.
Experience curve pricing	:	Aggressive pricing designed to increase volume and help the firm realize experience curve economies.
Expert power	:	Obtaining compliance through one's knowledge or information.
Explicit cost	:	The monetary payment a firm must make to an outsider to obtain a resource.
Explicit knowledge	:	Information that can be easily put into words and shared with others.
Export bill of lading (B/L)	:	Contract of carriage between shipper and carrier. Straight bill of lading is nonnegotiable; an endorsed "to order" bill gives the holder claim on merchandise.
Export draft	:	An unconditional order drawn by the seller on the buyer to pay the draft's amount on presentation (sight draft) or at an agreed future date (time draft) that must be paid before the buyer receives shipping documents.
Export incentives	:	Subsidies or tax rebates paid by governments to companies to encourage them to export.
Export licenses	:	A government document that permits the exporter to export designated goods to certain destinations. In the United States, the export license will be either a general export license or a validated export license.
Export management company	:	Export specialists who act as an export marketing department for client firms.
Export management company	:	A company that acts as the export department for other companies. It performs all export-related services for its customers except supplying the product.
Export processing zones	:	Specific and limited areas into which imported components may be brought for further processing. The finished product must be reexported to avoid payment of import duties.
Export subsidies	:	Government payments to domestic producers to enable them to reduce the price of a good or service to foreign buyers.

Export supply curve	:	An upward-sloping curve that shows the amount of a product that domestic firms will export at each world price that is above the domestic price.
Export trading company	:	A firm established principally to export domestic goods and services and help unrelated companies export their products.
Export transaction	:	A sale of a good or service that increases the amount of foreign currency flowing to a nation's citizens, firms, and government.
Export-Import Bank (Eximbank)	:	Agency of the U.S. government whose mission is to provide aid in financing and facilitate exports and imports.
Exporting	:	Sale of products produced in one country to residents of another country.
Exports	:	Goods and services produced in a nation and sold to buyers in other nations.
Exposure netting	:	An open position in two or more currencies whose strengths and weaknesses are thought to balance one another.
Expropriation	:	The seizure of businesses by a host country with little, if any, compensation to the owners.
Expropriation	:	Seizure by a government of foreign-owned assets. Such seizure is not contrary to international law if it is followed by prompt, adequate, and effective compensation. If not, it is called confiscation.
Extended family	:	Includes relatives beyond the parents and children.
Extensible Markup Language (XML)	:	A language written in SGML, XML is a flexible way to create common data or information formats and to share both the format and the data with other applications or trading partners. XML provides an organization and its trading partners with a consistent method for sharing information. XML differs from traditional data format mechanisms in that it provides not only the data but also a tag or description of each piece of data.
External debt Private or public debt owed to foreign citizens, firms, and institutions.	:	
External factors	:	Environmental characteristics that cause behavior.
External forces for change	:	Originate outside the organization.

External locus of control	:	Attributing outcomes to circumstances beyond one's control.
Externalities	:	Knowledge spillovers.
Externally convertible currency	:	Nonresidents can convert their holdings of domestic currency into foreign currency, but the ability of residents to convert the currency is limited in some way.
Extinction	:	Occurs when the target behavior decreases because no consequence follows it.
Extinction	:	Making behavior occur less often by ignoring or not reinforcing it.
Extortion	:	The demand for payments to keep the demander from causing harm to the payer.
Extranet	:	Connects internal employees with selected customers, suppliers, and strategic partners.
Extraterritorial application of laws	:	Attempts by a government to apply its laws outside its territorial borders.
Extrinsic motivation	:	Motivation caused by the desire to attain specific outcomes.
Extrinsic rewards	:	Financial, material, or social rewards from the environment.
Extroversion	:	A "Big Five" personality dimension that characterizes people who are outgoing, talkative, sociable, and assertive.