BEWI$E WEBPAGE DICTIONARY

NO	TERM	DEFINITION
1.	Actuary	A person who compiles and analyses statistics and uses them to calculate insurance risks and premiums.
2.	Amortization	Amortization is an accounting technique used to periodically lower the book value of a loan or intangible asset over a set period of time.
3.	Annuity	This is a form of insurance or investment entitling the investor to a series of annual sums.
4.	Asset	A resource owned by a person or company that provides present or future value
5.	Bailout	A Bailout is an injection of money from a business, individual or a government into a failing company to prevent its demise and the ensuing consequences.
6.	Balance of Payment	The balance of payments (BOP) is a statement of all transactions made between entities in one country and the rest of the world over a defined period of time, such as a quarter or a year.
7.	Balance of Trade	Balance of trade is the difference between a country's import and export payments and is the largest component of a country's balance of payments.
8.	Bankruptcy	Bankruptcy is a legal proceeding involving a person or business that is unable to repay their outstanding debts. The bankruptcy process begins with a petition filed by the debtor, which is most common, or on behalf of creditors, which is less common. All of the debtor's assets are measured and evaluated, and the assets may be used to repay a portion of outstanding debt.
9.	Basis Point	Basis point, otherwise known as “BPS” is a unit of measurement used in finance to describe the percentage change in the value of financial instruments.
10.	Bear Market	A bear market occurs when prices in the market fall by 20% or more.
11.	Bonds	A bond is a fixed income instrument that represents a loan made by an investor to a borrower (typically corporate or governmental). A bond could be thought of as an I.O.U. between the lender and borrower that includes the details of the loan and its payments.
12.	Bull Market	A bull market is a financial market of a group of securities in which prices are rising or are expected to rise.
13.	Cash Flow	Cash flow is the net amount of cash and cash-equivalents being transferred into and out of a business
14.	Compound Interest	Compound interest (or compounding interest) is interest calculated on the initial principal, which also includes all of the accumulated interest from previous periods on a deposit or loan. Compound interest can also be thought of as "interest on interest," and will make a sum grow at a faster rate than simple interest, which is calculated only on the principal amount.

15.	Credit Score	A credit score is a number ranging from 300-850 that depicts a consumer's creditworthiness. The higher the credit score, the more attractive the borrower. A credit score is based on credit history: number of open accounts, total levels of debt, and repayment history. Lenders use credit scores to evaluate the probability that an individual will repay loans in a timely manner.
16.	Debt Avalanche	A debt avalanche is a type of accelerated debt repayment plan. Essentially, a debtor allocates enough money to make the minimum payment on each source of debt, and then devotes any remaining repayment funds to the debt with the highest interest rate. Using the debt avalanche approach, once the debt with the highest interest rate is entirely paid off, and then the extra repayment funds go toward the next-highest interest-bearing loan. This system continues until all the debts are paid off.
17.	Debt Consolidation	The term debt consolidation refers to the act of taking out a new loan to pay off other liabilities and consumer debts, generally unsecured ones. Multiple debts are combined into a single, larger piece of debt, usually with more favorable payoff terms. Favorable payoff terms include a lower interest rate, lower monthly payment, or both.
18.	Debt Spiral	Death spiral debt describes a type of convertible bond that forces the creation of an ever-increasing number of shares, inevitably leading to a steep drop in the price of shares. In general, convertible debt is a bond that yields interest but also can be converted to a number of stock shares.
19.	Deflation	The decline in prices for goods and services that happens when the inflation rate dips below zero
20.	Diversification	Diversification is a risk management strategy that mixes a wide variety of investments within a portfolio. A diversified portfolio contains a mix of distinct asset types and investment vehicles in an attempt at limiting exposure to any single asset or risk. The rationale behind this technique is that a portfolio constructed of different kinds of assets will, on average, yield higher long-term returns and lower the risk of any individual holding or security.
21.	Dividend	A dividend is the distribution of a portion of the company's earnings, decided and managed by the company’s board of directors, and paid to a class of its shareholders.
22.	Equity	It is the difference between what your business is worth (your assets) minus what you owe on it (your debts /liabilities)
23.	Exchange	A marketplace where securities, commodities, derivatives and other financial instruments are traded.
24.	Financial Literacy	Financial literacy is the ability to understand and effectively apply various financial skills, including personal financial management, budgeting, and investing. Financial literacy helps individuals become self-sufficient so that they can achieve financial stability.
25.	Growth Stock	A growth stock is any share in a company that is anticipated to grow at a rate significantly above the average growth for the market.

26.	High Net worth Individual	People with investable assets of at least $30 million, usually excluding personal assets and property such as a primary residence, collectibles, and consumer durables.
27.	Index Fund	An index fund is a type of mutual fund or exchange-traded fund (ETF) with a portfolio constructed to match or track the components of a financial market index, such as the Standard & Poor's 500 Index (S&P 500). An index mutual fund is said to provide broad market exposure, low operating expenses, and low portfolio turnover. These funds follow their benchmark index regardless of the state of the markets.
28.	Inflation	A general increase in the price of goods and services in an economy over some period of time
29.	Intangible asset	An intangible asset is any asset that is not physical in form. Goodwill, brand recognition and intellectual property, such as patents, trademarks, and copyrights, are all examples of intangible assets.
30.	Investing	Investing is the act of allocating resources, usually money, with the expectation of generating an income or profit. You can invest in endeavors, such as using money to start a business, purchasing assets such as purchasing real estate in the hope of reselling it later at a higher price.
31.	Investment Vehicle	Investment vehicles are securities or financial assets such as equities or fixed income instruments, that an individual uses to gain positive returns.
32.	Liquidity	Liquidity refers to the ease with which an asset, or security, can be converted into ready cash without affecting its market price.
33.	Line of Credit	A line of credit (LOC) is a preset borrowing limit that can be used at any time. The borrower can take money out as needed until the limit is reached, and as money is repaid, it can be borrowed again in the case of an open line of credit.
34.	Money Market	The money market refers to trading in very short-term debt investments. At the wholesale level, it involves large-volume trades between institutions and traders. At the retail level, it includes money market mutual funds bought by individual investors and money market accounts opened by bank customers.
35.	Mutual Funds	A mutual fund is a type of investment vehicle consisting of a portfolio of stocks, bonds, or other securities, which is overseen by a professional money manager.
36.	Net worth	The value of the assets a person or business owns, minus the liabilities they owe.
37.	Passive Income	Passive income is earnings derived from a rental property, limited partnership, or other enterprise in which a person is not actively involved.
38.	Portfolio	A portfolio is a grouping of financial assets such as stocks, bonds, commodities, currencies and cash equivalents, as well as their fund counterparts, including mutual, exchange-traded and closed funds. Investors can also have multiple portfolios for various purposes.

39.	Profit Margin	Profit margin is one of the commonly used profitability ratios to gauge the degree to which a company or a business activity makes money. It represents what percentage of sales has turned into profits. Simply put, the percentage figure indicates how many cents of profit the business has generated for each dollar of sale.
40.	Recession	A recession is a period of declining economic performance across an entire economy that lasts for several months.
41.	Rule of 72	The Rule of 72 is a quick, useful formula that is popularly used to estimate the number of years required to double the invested money at a given annual rate of return. 72/rate of return = time for investment to double
42.	Shares/Stocks	Shares/stocks - a type of investment that represents ownership in a company. When you purchase a company's shares, you're purchasing a small piece of that company, called a share. Investors purchase stocks in companies they think will go up in value.
43.	Stock Option	A benefit in the form of an option given by a company to an employee to buy shares in the company at a discount or at a stated fixed price.
44.	Tangible asset	A tangible asset is an asset that has a finite monetary value and usually in physical form. Tangible assets can typically always be transacted for some monetary value though the liquidity of different markets will vary.
45.	Term Life Insurance	Term life insurance, also known as pure life insurance, is a type of life insurance that guarantees payment of a stated death benefit if the covered person dies during a specified term.
46.	Trade Deficit	A trade deficit occurs when a country's imports exceed its exports during a given time period. It is also referred to as a negative balance of trade (BOT).
47.	Trade Surplus	A trade surplus is an economic measure of a positive balance of trade, where a country's exports exceed its imports.
48.	Trustee	A trustee is a person or firm that holds and administes property or assets for the benefit of a third party. A trustee may be appointed for a wide variety of purposes, such as in the case of bankruptcy, for a charity, for a trust fund, or for certain types of retirement plans or pensions. Trustees are trusted to make decisions in the beneficiary's best interests and often have a fiduciary responsibility to the trust beneficiaries.
49.	Whole Life Insurance	Whole life insurance provides coverage for the life of the insured. In addition to providing a death benefit, whole life also contains a savings component where cash value may accumulate. These policies are also known as permanent or traditional life insurance.