Mohamed Khaider University, Biskra

Faculty of Economics, Commerce and Management Sciences

Commerce Department

Module: English
Branch: Finance and International Trade
Level: First year Master

Lecture 03: ***Finance Technical terms***

- Lend (v): makes funds available to a person or business with the expectation that the funds will be repaid. Repayment will include the payment of any interest or fees.[1]

- Borrow (v): To ask for an amount of money from somebody or something that you intend to give back, usually after a period of time.

- Funds: A fund is a pool of money that is allocated for a specific purpose.

- Debt and Equity instruments: Debt is something, usually money, borrowed by one party from another. A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back at a later date, usually with interest. Equity, typically referred to as shareholders' equity (or owners' equity for privately held companies), represents the amount of money that would be returned to a company’s shareholders if all of the assets were liquidated and all of the company's debt was paid off in the case of liquidation. In the case of acquisition, it is the value of company sale minus any liabilities owed by the company not transferred with the sale.

- Financial institutions: A financial institution (FI) is a company engaged in the business of dealing with financial and monetary transactions such as deposits, loans, and currency exchange.

- Deposit: means money held at a bank. It is a transaction involving a transfer of money to another party for safekeeping.

- Liabilities: A liability is something a person or company owes, usually a sum of money. Liabilities are settled over time through the transfer of economic benefits including money..

- Assets: An asset is a resource with economic value that an individual, firm, or country owns or controls with the expectation that it will provide a future benefit

- Loans: a sum of money that is lent to another party in exchange for future repayment of the value or principal amount.

- Save (v): To keep or not spend money so that you can use it later. A savings account is an interest-bearing deposit account held at a bank or other financial institution. Though these accounts typically pay a modest interest rate, their safety and reliability make them a great option for parking cash you want available for short or long-term needs. Saving for a short or long-term goal like buying a car or going on vacation, or simply sweeping surplus cash you don't need in your checking account so it can earn more interest elsewhere.

- Spending: To give or pay money for something.

- Households: Family members, individuals

- Business enterprises: A business is defined as an organization or enterprising entity engaged in commercial, industrial, or professional activities.

- Government: A group of people who legally control and run a country

- Foreigner: A person or Firm that belongs to a country that is not your own

- Excess funds: A surplus describes a level of an asset that exceeds the portion used.

- Purchase: as a verb means the act of buying something and as a noun means the thing that you buy

- Financial Intermediation: A financial intermediary is an entity that acts as the middleman between two parties in a financial transaction, such as a commercial bank, investment bank, mutual fund, or pension fund..