CPI: see **Consumer Prices Index**.

Credit: money that has been borrowed. To provide credit is to lend money, for example by allowing an economic agent to pay later.
1.4: the role of credit in the economy.
1.4.1b: the role of the **banking industry** in providing credit.
1.4.3a: types of credit: **loans**, **overdraft** and **trade credit**.
1.4.3b: sources of credit, banks and other firms.
1.4.3d: challenges in obtaining credit.
1.6.4d: using a **cash flow forecast** to identify credit requirements.
4.5: firms and individuals require access to credit.
4.5.2e: the role of banks in assessing **creditor risk**.

Creditor: an economic agent who has lent money. Suppliers become creditors while they are waiting to be paid for the goods or services they have delivered. Banks are the biggest creditors as their main business is lending out money to households and firms. See also **debtor**.
4.5.2e: role of banks in assessing creditor risk.

Creditor risk: the danger that a **debtor** will not pay back the money he has borrowed from the creditor. The higher the risk, the greater the interest rate charged to debtors to compensate for the added danger that the money may not be repaid.
4.5.2e: role of banks in assessing creditor risk.

[Cross-price elasticity of demand (XED)]: measures the responsiveness of demand for one good to changes in the price of another. If the two goods are **substitutes** then their XED will have a positive value as an increase in the price of one will make its substitute more attractive. If the two goods are **complements** their XED will be negative; an increase in the price of one will mean buying the pair of goods together will become less affordable. Its formula is: XED of Good A with respect to the price of B = % change in the demand for Good A / % change in the price of Good B.
1.3.1d: factors causing a shift in the demand curve - changes in the prices of substitutes and complementary goods

Teachers' note: while the idea of XED is clearly present in 1.3.1 there is no evidence that knowledge of either the technical term or its formula is required.

Culture: the ideas, customs and behaviour of a group of people. This group might be a country, a local community or the employees within a company. Cultures are often difficult to change because members of the group reinforce each other in behaving in the ways with which they are familiar. Meanwhile, outside observers who like the culture are more likely to join the group while insiders who dislike it are more likely to leave.
2.1.1c: the role of business culture in encouraging or impeding a company's growth.
3.1.4a: cultural factors may operate as a form of **protectionism**, for example, a preference to buy domestically produced goods.
3.3.2: the impact of cultural factors and tastes on demand in different countries.
4.4.1b: the impact of **multinational corporations** on local business culture.
4.5.4a: the role of organisational culture in the **global financial crisis**, for example, an appetite by the **banking industry** for **risk-taking**.

[Currency markets]: the set of arrangements whereby the money of different countries is traded. Since all currencies are **homogenous** and the volumes traded each day are very large, currency markets are, in the absence of