



## COURSE DESCRIPTION

### BED1100 Business Economy I

1. Degree	Bachelor of Advertising and Brand Marketing Bachelor of Hotel and Relationship Management Bachelor of Innovation and Entrepreneurship Bachelor of Marketing and Internationalization Strategies Bachelor of Marketing and Sales Management Bachelor of Tourism and Relationship Management
2. Year/semester	1st semester BA of Advertising and Brand Marketing 3rd semester BA of Hotel and Relationship Management 2 <sup>nd</sup> semester BA of Innovation and Entrepreneurship 1st semester BA of Marketing and Internationalization 1st semester BA of Marketing and Sales Management 3rd semester BA of Tourism and Relationship Management
3. Credits	10
4. Course instructor	Assistant Professor Terje Grann
5. Contact hours	50 hours
6. Course prerequisites	None
7. Learning goals	The student will obtain knowledge of economic management while getting a basic understanding for the most important business economic terms through cost estimate, cost overview, price as competitive weapon, market adjustment, calculation by various methods (full cost and contribution method), break even analysis and budgeting. Student will be able to participate in the decision making process within various areas in the economic enterprise.
8. Course contents	Enterprise environment Economical problems Basic propositions Financial activities

	The enterprise
	Goals and means
	The economic management processes
	The industrial enterprise
	The commercial enterprise
	The service rendering enterprise Choosing company variant
	Enterprise costs
	Time limitations
	Material costs
	Wages, holiday pay and employer fee
	Value-added tax (VAT)
	Deprecation
	Further enterprise costs
	Calculated costs
	Cost periode
	Regular, variable and total costs
	Border costs
	Direct and indirect costs
	Alternative costs
	Income generation
	Competition variants and markets
	Price
	Strategic pricing
	Customer/pricing
	Product life cycle/pricing
	Marketing mix/pricing
	Price psychology
	Ethics/pricing
	Income, costs and revenue – a theoretical and mathematical model
	Monopoly
	Optimal competition
	Product calculation

Full cost
Methods
Division calculation
Additional calculation
Full cost method
Contribution method
Cost – revenue – volume analysis (coverage analysis)
Conditions
Contribution margin
Contribution ratio
Break even point
Risk margin – security margin
Contribution diagram
Consequences of altered conditions
Product choice
Available product capacity
Maximum production capacity
Reductions
A bottleneck
Budgeting
Levels of planning
The strategic process
The strategic plan of the enterprise
The planning cycle of the enterprise
The budget in question and budget coherence
Main budgets
Revenue budgets
Cash flow budgets
Control
Analysis of accounting
Traditional finance analysis
Profitability
Cash flow

	<p>Reasons for bad cash flow</p> <p>Solidity</p> <p>Investments</p> <p>Investment variants</p> <p>Investment processes</p> <p>Finacial durability</p> <p>Cash value</p> <p>Methods</p> <p>Present value</p> <p>Internal interest</p> <p>Pay-back</p> <p>Annuity</p>
9. Method of instruction	<p>50 contact hours with lecturer including plenaries and individual counselling, singularly and in groups. Also included are discussions and active use of case/assignments. Students also have to do group work and presentations in class.</p>
10. Assessment	<p>Group assignment (max 3 persons) – Pass/Fail</p> <p>3 h written ind. – 100 % of final grade.</p>
11. Course syllabus	<p>Hoff, Kjell Gunnar. 2005. <i>Bedriftens økonomi</i>. 6. utg. Oslo: Universitetsforlaget. ISBN: 978-82-15-00775-5. (544 p.)        Price: 499,-</p> <p>Hoff, Kjell Gunnar, og Jan Erik Hoff. 2005. <i>Arbeidsbok til Bedriftens økonomi: oppgaver og løsningsforslag</i>. Oslo: Universitetsforlaget. ISBN: 978-82-15-00776-2. (319 p.)        Price: 299,-</p>
12. Recommended reading	