

Course Description

Economics

1. Studium:	BA Advertising and Brand Management BA Marketing and Internationalisation Management BA Hotel and Relationship Management BA Marketing and Sales Management
2. Course:	Economics
3. Semester:	1st semester BA Advertising and Branding 1st semester BA Marketing and Internationalisation 1st semester BA Marketing and Sales Management 3rd semester Hotel and Relationship Management BA
4. Credits:	10
5. Course administrator:	Assistant Professor Terje Grann
6. Number of contact hours:	The lecturer is obligated to have 50 lecture hours with the class in the classroom.
7. Prerequisites:	None
8. Course description:	The course aims at giving the students a basic understanding of financial models, notation models, and tools to describe and explain enterprises' conditions and possibilities. Financial control, budgeting, accounting analysis and cost-and revenue analyses are important focal points in the course.
9. Course aims:	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.
10. 10.Course contents:	<ul style="list-style-type: none"> • 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)
- Depreciation
- Further enterprise costs
- Calculated costs
- Cost period
- 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

	<ul style="list-style-type: none"> • Reasons for bad cash flow • Solidity • Investments • Investment variants • Investment processes • Finacial durability • Cash value • Methods • Present value • Internal interest • Pay-back • Annuity
11. Teaching methods:	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.
12. Assessment (formative and- og summative):	Group assignment (max 3 persons) – Pass/Fail 3 h written ind. – 100 % of final grade.
13. Required readings:	Hoff, Kjell Gunnar. 2005. Bedriftens Økonomi 6. utgave. Oslo: Universitetsforlaget, 544 sider, 449,- ISBN 8215007759 Hoff, Kjel Gunnar og Jan Erik Hoff. 2005. Arbeidsbok til bedriftens økonomi, Oppgaver og løsningsforslag 6. utgave. Oslo: Universitetsforlaget, 319 sider, 299,- ISBN 8215007767
14. Suggested litterature:	None