



APPLIES TO ACADEMIC YEAR  
2002/2003

## GRA 5911 Petroleum Economics and Administration

### Program

Master of Science in Business Administration (MScBA), Specialization Course

### Responsible for the course

Øystein Noreng

### Department

Leadership and Organizational Management

### Term

spring

### ECTS Credits

6

### Objective

The course aims at giving students a comprehensive introduction to oil, gas and energy economics, including the policy and institutional framework. The course will also treat OPEC, oil trading and oil price formation, North Sea oil policies, the European natural gas market and EU - Norway energy relations.

### Prerequisites

None

### Compulsory literature

Hand-outs and:

- Andersen, Svein S. 2000. *European integration and the changing paradigm of energy policy: The case of natural gas liberation*. ARENA-working paper no. 13. Oslo: ARENA. (pp.1-25)
- Andersen, Svein S. 1993. *The struggle over North Sea oil and gas : Government strategies in Denmark, Britain and Norway*. Oslo: Scandinavian University Press. (pp. 1-33, 167-190)
- Berger, Bill D. and Kenneth E. Anderson. 1992. *Modern petroleum : A basic primer of the industry*. Tulsa, Okla.: PennWell Books.
- Gillespie, Kate and Clement Moore Henry: 1995. *Oil in the new world order*. Gainesville, FL: University Press of Florida. (pp.1-88)
- Hannesson, Rögnvaldur. 1998. *Petroleum economics : Issues and strategies of oil and natural gas production*. London: Quorum Books. (pp. 1-60, 83-122)
- Holdren, John. 1992. "The transition to costlier energy. " In *Energy efficiency and human activity*, edited by Lee Schipper and Stephen Myers. Cambridge: Cambridge University Press. (pp. 1-50)
- Hoopes, Stephanie M. 1997. *Oil privatization, public choice and international forces*. London: Macmillan. (pp. 1-36, 82-138)
- Horsnell, Paul. 1999. "Issues in deregulation, privatization and reregulation of energy industries." In *Privatization and deregulation in the Gulf energy sector*. Abu Dhabi: The Emirates Center for Strategic Studies and Research. (pp. 69-83)
- Horsnell, Paul and Robert Mabro. 1993. *Oil markets and prices: The Brent market and the formation of the world oil prices*. Oxford: Oxford University Press.
- Noreng, Øystein. 2001. *Liberalisation, integration and specialisation : The restructuring of the European oil industry*. Handelshøyskolen BI Særtrykk no. 47. Sandvika: Handelshøyskolen BI.
- Noreng, Øystein. 1997. *Oil and islam: Social and economic issues*. London: Wiley. (pp.111-145, 198-262)
- Scherer, F.M. 1996. *Industry structure, strategy and public policy*. New York: HarperCollins. (pp. 1-15, 64-140)
- Stern, Jonathan. 1998. *Competition and liberalization in the European gas markets: A diversity of models*. London: Royal Institute of International Affairs. (pp. 1-109)

**NB: Changes may occur, a complete literature list will be provided.**

## **Recommended literature**

## **Course outline**

- The oil market and the petroleum industry
- Oil industry history
- OPEC and oil industry organization
- Characteristics of the offshore market
- The concessionary system
- Fiscal framework
- Petroleum taxation
- Price formation
- Economic rent
- North Sea policies and frameworks
- The international markets for oil and gas
- Demand/supply
- Risk diversification, integration, specialization, privatization, mergers and outsourcing
- The European natural gas market and EU

## **Computer-based tools**

No computer-based tools are used in this course.

## **Course structure**

36 hours of lecture

## **Evaluation**

A three hour written exam and a term paper, each weighing 50 %.

## **Evaluation code(s)**

GRA 59112 Written exam (three hours) 50%

GRA59113 Term paper 50%

## **Aids at the examination**

Financial calculator, BP Statistical Review of World Energy (<http://www.bp.com>)

## **Makeup exam**

At the next ordinary exam