



APPLIES TO ACADEMIC YEAR 2006/2007

## GRA 5911 Petroleum Economics and Administration

### Program

Master of Science in Business and Economics, Master of Science in Management, Specialization Course

### Responsible for the course

Øystein Noreng

### Department

Leadership and Organizational Management

### Term

According to study plan

### 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

A bachelors degree in business or eq.

### Compulsory literature

#### Collection of articles:

Compendium, collection of Articles and Hand-outs

#### Recommended literature

##### Books:

Noreng, Øystein. 2005. Crude power : politics and the oil market. New ed. London : I.B. Tauris

### 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

Blackboard/homepage

### Course structure

36 hours of lecture

### Evaluation

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

### Evaluation code(s)

GRA 59114 accounts for 100% of the final grade in the course GRA 5911.

**Aids at the examination**

Advanced calculator, BP Statistical Review of World Energy (<http://www.bp.com>), a bilingual dictionary

**Makeup exam**

Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or process elements, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee.

**Honor Code**

Academic honesty and trust are important to all of us as individuals, and they are encouraged and promoted by the honor system. This is a most significant university tradition. The honor system is the responsibility of students. As faculty, we share the commitment to the ideals of the honor system.

At no time should notes or papers or personal consultations based on previous semesters of this course be used. As part of the honor code papers handed in as part of the course is, at the discretion of the professor, scanned for plagiarism. We are using Safe Assignment in Black Board for this purpose. Any violation of the honor code will be dealt with in accordance with BI's procedures on cheating. These issues are a serious matter to everyone associated with the program. They are at the heart of the Honor Code and academy integrity. If you have any questions about your responsibilities under the honor code, please ask.