



APPLIES TO ACADEMIC YEAR 2009/2010

## BIK 2911 Business economics for non-specialists

### Programme

Single courses

### Responsible for the course

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

7,5

### Language of instruction

Norwegian

### Introduction

The course gives an outline of theories, methods and models within the field of business economics. Furthermore, the course will demonstrate how these theories, methods and models can be used in practical business economic planning and control.

### Learning outcome

#### Acquired knowledge:

After taking the course, participants shall be capable of explaining vital concepts and give an account of the tools used in analyses of business economics problems. Tools include methods, techniques, models, theories etc. used in the field.

- Examples of concepts that students shall be able to explain: fixed costs, variable costs, sunk cost, alternative cost, present value, future value, sales budget, annuity, contribution margin, return on total assets, short term liabilities, cash flow and cost of capital.
- Examples from the toolbox: contribution margin costing, full costing, income statement, cash budget, investment budget, break-even analysis, profit maximization and financial ratios.

#### Acquired skills:

After taking the course, the course participants shall be able to (a) apply knowledge (i.e. concepts and skills) in analyses and discussions on business economics problems, (b) distinguish between relevant and irrelevant information, and (c) give written answers to questions so that the readers understand the applied method and the conclusion. Examples:

- When the tool is given, be able to apply the tool correctly
- Based on simple situation descriptions, choose the right tools and apply them correctly
- Based on more complex situation descriptions, be able to produce relevant information, link it to the suitable tool and apply the tool correctly

#### Reflection:

After taking the course, the course participants shall be able to ask critical questions and reflect on (a) own work and (b) crucial assumptions and theories within the business economics field. Examples:

- Consider advantages and disadvantages of the available tools
- Reflect on own answers/statements and those of others; Are they reasonable? Are they properly/poorly substantiated? Are they correct?

### Prerequisites

No particular prerequisites are required, but an interest in number processing is necessary.

### Compulsory reading

#### Books:

Sending, Aage. 2009. Økonomistyring 1. Bergen : Fagbokforlaget

### Recommended reading

#### Books:

Sending, Aage. 2009. Arbeidshefte til Økonomistyring 1. Bergen : Fagbokforlaget

## **Course outline**

### *Part 1: Investment and financing*

Introduction to the course  
Discounting and interest rate calculations  
How can we measure the profitability of investment projects?  
How can we measure the costs of various financing alternatives?

### *Part 2: Cost and income analysis*

Cost theory  
Income theory and market equilibrium  
Cost- volume-profit analysis  
Product selection with scarce resources  
What costs and revenues are relevant in the short term?

### *Part 3: Costing and managerial accounting models*

Traditional costing and managerial accounting models  
Contribution margin method and full cost method  
Cost estimates and actual cost calculations  
Variance analysis of costs and revenues

### *Part 4: Accounting and budgeting*

The main financial statements (the income statement and the balance sheet)  
How are financial statements prepared (basic registration techniques)?  
How can financial statements be used (financial statement analysis)?  
Budgeting and financial management  
Preparation of the main budgets (income statement budgets, cash budgets and balance sheet budgets) and their relationships  
Budgeting for various industries (manufacturing industry, trade, services, cultural institutions, etc.)

## **Computer-based tools**

Course participants should use spreadsheets (e.g. Excel) when solving assignments when this is appropriate.

## **Learning process and workload**

The course consists of 48 teaching hours, consisting of lectures and exercises. It is expected that students complete assignments in accordance with lecturer's instruction. Self-guided activities (reading literature, working with exercises and the exam-related case) and the final exams will add up to approximately 150 hours.

### **E-learning**

The netbased teaching platform Apollon is used by the E-learning centre in combination with study sessions. The e-learning teacher publishes course material, assignments (including hand-in assignments with the teacher's comments), cases and digital learning resources. The students are given the possibility of communicating with the e-learning teacher and fellow students. The e-learning students are also offered a study guide, which is an educational guide to the course syllabus.

## **Examination**

A four-hour individual written exam completes the course. It is based on the syllabus and a case that the candidate must solve before the exam. The case will be handed out around 4 weeks prior to the exam. The case shall not be handed in for evaluation and may not be brought along to the exam. The exam questions will to a large extent cover the same problems that the students have processed in the case. The exam also consists of practical and theoretical questions from the syllabus. The course grade is based entirely on the written exam. If the student wishes to retake the exam he/she must be prepared to solve a new case (see information on the makeup exam below).

### **Exam code(s)**

BIK 29111 Business Economics for non-specialists. The exam accounts for 100% of the grade in the course BIK 2911, 7,5 credits

### **Examination support materials**

BI-approved exam calculator (TI BA II Plus)

### **Re-sit examination**

A makeup exam is held in connection with the next time the course is offered. Retake students must be prepared to solve a new case. When the case for the relevant term is published, the retake students must control in detail whether an apparently similar case may have been altered from the previous term's case version. This applies even though the name of the case

company in the retake term may be identical to the name used in earlier cases. It is the retake student's responsibility to prepare for the exam by solving the correct case / correct version of the case.

**Additional information**