



APPLIES TO ACADEMIC YEAR 2014/2015

BIK 2911 Basic Business Economics

Programme

Single courses

Responsible for the course

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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 introduction to 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 students shall be able to ask critical questions and reflect on crucial assumptions and theories within the business economics field.

Prerequisites

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

Compulsory reading

Books:

Sending, Aage. 2013. Økonomistyring 1. 2. utg. Fagbokforlaget

Recommended reading

Books:

Sending, Aage. 2013. Arbeidshefte til Økonomistyring 1. 2. utg. 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?
Costing models: Contribution margin method and full cost method
Cost estimates and actual cost calculations
Variance analysis of costs and revenues

Part 3: 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

It's Learning. 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. In total, the course has a work-load of approximately 200 hours.

E-learning

The netbased teaching platform It's learning 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 three-hour individual written exam completes the course.

Examination code(s)

BIK 29111 Basic Business Economics. 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) and interest tables.

Re-sit examination

Re-sit at the next ordinary exam.

Additional information