# Business Economics

## Prof. Susanna Di Martino; Prof. Stefano Villa

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course intends to achieve, jointly, the following objectives:

* to transmit the concepts and basic language of business-economic analysis;
* provide a unitary vision of the structure and functioning of the different classes of companies (family, production, public compound, non-profit) with particular focus on companies producing goods and services;
* develop students' understanding of the fundamental components of a company, and teach them the basic economic theories that govern each component;
* help students master the concept of cost-effectiveness and the methodologies for measuring it, by adopting an analytical perspective based on the interdependent relationships between the operations system and values system;
* develop students' ability to observe business economic phenomena with a critical eye.

At the end of the course, students will be able to:

* understand the typical language of business economics;
* know the nature and objectives of institutions and companies;
* break down a company into its fundamental components, and understand its functioning, management and organisational needs;
* apply the logic of accounting records and the method of collecting and classifying values, in elementary accounting records in order toconstruct summary tables;
* carry out an initial analysis of a company’s solidity and financial situation by examining overview tables;
* use a technical language that enables them to communicate their acquired knowledge clearly and effectively;
* develop the skills for learning the economics-business contentsof subsequent courses in later years.

***COURSE CONTENT***

The course is divided into three modules.

The first module WHAT IS A COMPANY? (Prof.ssa Di Martino) will explore the following contents:

*Principles and companies*

Subject of study and general principles of Business Economics.

The principles, the business and the company.

Economic specialisation.

Representation models of companies.

*The structure of companies*

Financial combinations.

The institutional framework.

The second module STRATEGY AND OPERATIONAL MANAGEMENT IN A COMPANY (Prof.Villa) explores the following topics:

*Company boundaries and sizing decisions*

Cost-effectiveness

Company boundaries: the financial and non-financial environment.

Structure and dynamics of the competitive system

Corporate strategy, the competitive formula

*The financial structure of a company*

Standardisation and sizing decisions (finances)

Vertical and horizontal extension

Operating income and breaking even

The third module ANALYSIS OF COST-EFFECTIVENESS (Prof.ssa Di Martino) focuses on intradependent relations between the operations system, which was covered in the first module, and the values system. Particular emphasis will be placed on the logic of accounting records, the basic notions of reading, drawing up and interpreting balance sheets and the financial and asset management of a company.

In particular, the following topics will be covered in the third module:

*Creation and development of assets, ownership and organisational structures*

Working capital

The dynamics of assets

The ownership structure of companies

The organisational framework

*The fundamental concepts of general accountancy: income, capital, the financial year.*

The value system: double-entry bookkeeping, tools for collecting values;

recognition of the main management and end-of-year operations.

*The construction, reclassification and analysis of overview tables.*

Producing a balance sheet

Reclassification of summary prospectuses;

Budget analysis

The syllabus containing the course's analytical programme will be communicated on Blackboard.

***READING LIST***

G. Airoldi-G. Brunetti-V. Coda*, Corso di Economia Aziendale*, Bologna, Il Mulino.

S. Di Martino, *Appunti di contabilità e bilancio*, (notes are available on Blackboard)

Lecturer's slides, supplementary readings and case studies will be made available, from time to time, on Blackboard.

***TEACHING METHOD***

The use of diversified methodologies is envisaged to promote the active participation of students. More specifically, in addition to theoretical frontal lectures, the course includes the intensive use of interactive practical lectures, tutorials, and case analyses.

The exam programme for students covers both (i) the textbook indicated in the reading list and (ii) the contents of the work done in class (in-depth discussions of case studies and tutorials).

***ASSESSMENT METHOD AND CRITERIA***

The exam can be performed in a single solution (general test), or through two partial tests (so-called interim tests) to be carried out exclusively on the dates indicated in the academic calendar.

The tests (partial or general) are written in nature, and comprise open-ended questions on theoretical and practical topics (comment on real events) and the analysis of mini-business case studies. The mark is out of thirty.

A minimum mark of 18/30 is required to pass the partial tests; the final mark is based on the arithmetic average of the marks from the two partial tests.

A student who passes the first test will be able to take the second test on only one of the three dates available during the exam session at the end of the course. A student who does not take or fails to pass one of the two partial tests, or does not accept the mark obtained, will have to take the complete exam.

An oral supplementary exam is not foreseen.

The assessment criteria on which marksare based are: knowledge of course content; ability to apply what has been learned; and ability to link the theoretical contents presented to practical applications.

To pass students need only demonstrate superficial knowledge of the course contents, a simple presentation style, and confidence in applying the theoretical concepts and specific techniques and methodologies of the subject. To achieve the top mark (and a distinction), the student must demonstrate complete and in-depth knowledge, the ability to properly use the most appropriate tools using masterful presentation skills.

Should the lecturer have any specific needs or doubts regarding the correct execution of the written tests, they have the right to verify the student's preparedness through oral questions. This possibility is communicated to students in conjunction with the presentation of the written exam results. Any student who refuses to take the oral exam relinquishes the mark they obtained in the written exam.

***NOTES AND PREREQUISITES***

The effort (terminological, conceptual, abstraction and concrete application) required from the student is very intense. Therefore, regular attendance and continuous study are recommended.

The use of the Blackboard IT platform is envisaged for activities such as announcements, distribution of materials, and communication of marks.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.