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| **Course unit title** | **ECONOMICS AND BUSINESS** |
| **Course unit code** | Ekon6002 |
| **Type of course unit** | A part – Compulsory part |
| **Level of course unit** | 2nd cycle (Master) |
| **Year of study** | - |
| **Semester** | I |
| **Number of ECTS credits** | 6 |
| **Name of lecturer(s)** | Aija Kairēna, Mg.oec.; Uldis Drišļuks, Mg.oec. |
| **Learning outcomes of the course unit** | **Aims of the course**  To acquaint students with regulations and problems of economics, to impart basic knowledge of the functioning of economics viewed in the context of microeconomics and macroeconomics, by teaching to analyze the interaction between the surrounding environment and the human in the conditions of market economy.  To acquaint students with entrepreneurship's preconditions and basis, imparting knowledge about external and internal conditions influencing entrepreneurship's process, their interaction, as well as develop understanding about practically use methods in entrepreneurship's management.  **Objectives of the course**   1. To acquaint students with the regularities of economics; 2. To form comprehension about fundamental principles of economics functioning; 3. To analyze surrounding environment; 4. Entrepreneurship's economic and legal substantiation; 5. Entrepreneurship's macro and micro environmental factors; 6. Component parts of entrepreneurship's process; 7. Substance of entrepreneurship's plan.   **Results of the course (competences to be developed)**  Understanding about the fundamental values of economics and practical application of methodology. Ability to determine and analyze different micro and macro factor's influence on entrepreneurship, fortify, analyze and present business ideas. |
| **Mode of delivery** | Face-to-face |
| **Prerequisites and co-requisites** | - |
| **Recommended optional programme components** | - |
| **Course contents** | The aim of the course is to impart knowledge of economics, of general economic regularities and the possibilities of their application in every enterprise or state institution.  For a successful acquisition of the study course no grounding is required. The study course envisages: 1) to acquaint students with general economic regularities, as well as to develop the skills at using these regularities both in commercial activity and in everyday life; 2) to acquaint with the basic issues of the significant role of micro and macro-economic issues focusing on the tools of fiscal and monetary policy in order to promote growth of gross domestic product and economic stability; 3) to acquaint students with usage of macroeconomic notions and tools in everyday life, with hospitality industry enterprises and working out their strategy.  During the course students have been acquainted with entrepreneurship's preconditions, entrepreneurship's planning and organizing process. Course imparts knowledge about substance of entrepreneurship, business ideas, entrepreneurship's legal regulation, macro environment, its analysis methods, role and substance of planning, product and its quality, entrepreneurship's internal environment, risks and main problems in entrepreneurship. |
| **Course plan** | |  |  | | --- | --- | | **Theme** | **Sub-theme** | | Economics theory, its subject. Basic problems of economics. General principles of functioning of market economy. | What does economics study? Needs theory. Resources and their insufficiency. Microeconomics and macroeconomics. Basic trends in economics. Turnover in national economy. Economic systems. | | Supply and demand for goods, market balance, flexibility. Customer’s behaviour in the market. | Demand and price. Function of demand. Impact of non-price factors on demand. Supply and price. Supply function. Impact of non-price factors on supply. Balance between supply and demand. Market prices. Notions of flexibility. Customer's income and expenses. Theory of the customer’s behaviour. | | Enterprise, entrepreneurship and customer’s behaviour. Production theory and costs. | Fundamental notions of economic activity. Economic costs and their types. Economic profit and book-keeping profit. Minimisation of production costs. | | Market types. Competition. Market of production factors. | Market, its notion. Types of market. Full competitiveness market model. Its characteristics. Market balance. Profit in the conditions of full competitiveness.  Incomplete competition. Monopoly market model. Monopoly and its types. Monopoly-based competition. Oligopoly market model. Demand for resources in the market. Market of labour resources. Salaries/wages. Economic tenancy. Supply and demand of land. Interest-bearing loan. Capital market. | | Introduction in macroeconomics  National system of settling accounts | Macroeconomics as a branch of economics. The main variable resources influencing macro-economics.Sectors of macroeconomics.  Gross domestic product and methods of calculation. Gross national product. Net national product. National income. Personal earnings.  Nominal and real gross domestic product. Deflation of GDP. Consumer price and index.  Gross domestic product of Latvia and its dynamics. | | Macroeconomic balance.  Macroeconomic instability | Common demand and the factors determining it. Common supply. Balance in economy. Balance in price level.  Common demand (expenses) and production level. Circulation. Components of the common demand and the planned expenditure level. Consumption function. Total consumption tendency. Total accrual tendency.  Calculation and guarantee of equilibrium. Total demand growth. Multiplicator. Instability in macroeconomics. Business cycles. Employment and unemployment. Inflation. Philips curve. | | State part in economics. Fiscal policy. State budget and taxes | States functions maintaining the market system and market system regulation.  Notion of fiscal policy. State budget and the budget system. Income and expenses of state budget. Budget and total demand. Shortage of state budget and sources for covering it. State debt. State budget of the Republic of Latvia.  Taxes. Functions and types of taxes. Taxes and economics development. Criterions for effective tax system. Laffer curve. Taxes system in the Republic of Latvia. | | Money. Bank system. Monetary policy.  International economic contacts | Money, its nature and functions. Forms of money: Metal money, coined money, paper money, electronic money.  Commercial banks and credit. Commercial banks activity. Operations in banking. Credit. Loan interests. Forms of credit.  Central bank and monetary policy. Functions of the Central Bank. Money supply. Money formulas. Monetary basis. Monetary demand. International economic contacts. Currency market. Currency exchange rate. Currency market in the Republic of Latvia. Parity of purchasing ability.  International commerce. Structure of international commerce. Export. Import.  International investment market. International labour force market. Payment balance.  Tariffs economics. Other types of marketing policy.  Absolute and relative advantages of international trade. Economic integration. | | Role and substance of entrepreneurship | Definitions.  Characteristic of entrepreneurship's environment in Latvia. | | Business ideas | Search for business ideas and their analysis.  Business plan as a tool for analysing business ideas. | | Legal regulation of entrepreneurship | Formation of entrepreneurship's title.  Forms of business.  Legislation in entrepreneurship.  Taxes.  Restrictions of entrepreneurship.  Procedure of entrepreneurship's establishment.  Franchising as a form of entrepreneurship | | Entrepreneurship's macro environment, methods analysing it. | Component parts of macro environment.  STEEPL analysis.  PEST analysis. | | The role and substance of planning in entrepreneurship | Formal and informal planning.  Principles and types of planning.  Mission, vision, aims.  SVID analysis  Delivery of a judgment | | Product. Quality of product | Product's hallmark, characteristics, classification.  Indication describing product's quality.  Customer's delivery of a judgment process. | | Entrepreneurship's internal environment | Personnel's role in entrepreneurship.  Managerial structure of enterprise.  Planning of manufacture technologies. Technical base of manufacture.  Organisation of resource providing.  Culture of organisation.  The flow of information within enterprise. | | Risks and main problems in entrepreneurship | Types of risks.  Problem solving methods. | |
| **Recommended or required reading** | Tonkiss Fran. Contemporary economic sociology: globalisation, production, inequality - London: Routledge, 2006. - 196p.  Community Destination Management in Developing Economies. Routledge, 2006. xvii, 198 p.  Forbes. Forbes, Inc, 1996-. 168 p.  Globalization and Diversity. Prentice Hall, 2011. xvi, 458 p.  Globalization and Development. Oxford University Press, 2010. xx, 301 p.  Greig, Alastair Challenging Global Inequality. Palgrave Macmillan, 2007. xiv, 296 p.  Humanities and Social Sciences. University of Latvia, 2009. 108 p.  Information society and modern business. Ventspils University College, 2004. 380 lpp.  Jankowicz, A.D. Business Research Projects. Thomson, 2005. xviii, 398 p.  Latvian Economy at the Start of the 21st Century. University of Latvia, 2002. 152 p.  North, Douglass C. Understanding the Process of Economic Change. Princeton University Press, 2005. xi, 187 p.  Schmidt, Vivien Ann The Futures of European Capitalism. Oxford University Press, 2002. ix, 357 p.  The Methodology and Practice of Econometrics. Oxford University Press, 2009. xii, 451 p. |
| **Planned learning activities and teaching methods** | Lectures, practical works, seminars, student's individual work |
| **Assessment methods and criteria** | **Exam**  Independent assignments completed attendance of lectures and participation in seminars/practical classes.  Business idea's substantiation (without financial calculations)  Substantiation of business idea, to prepare a PowerPoint presentation (7-10 minutes) |
| **Language of instruction** | English |
| **Work placement(s)** | N/a |