

**Course title: ECONOMY FOR ENTREPRENEURS**

<b>Lecturers</b>	Assoc. Prof. Vladimir Kovšca, Ph. D. Asst. Prof. Zrinka Lacković Vincek, Ph.D. Ivana Dvorski Lacković, Ph.D.
<b>Language of instruction</b>	Croatian and English
<b>Study level</b>	Master
<b>Study programme</b>	Economics of Entrepreneurship
<b>Semester</b>	1 <sup>st</sup> (winter)
<b>ECTS</b>	6
<b>Goal</b>	Main aim of this course is to help students develop economical way of thinking and reasoning and to provide them with basic knowledge of economics and economics of business systems. Within this basic goal, this theme is systematically elaborated in relation to the basic unit of economy – the firm – starting with the firm's establishment, through its inclusion in the economic system and its interactions within this system, to its functioning and business evaluation.
<b>General and specific learning outcomes</b>	<ol style="list-style-type: none"> <li>1. Analyse and evaluate business performance and suggest business system improvements.</li> <li>2. Identify and understand relevant factors that affect the business operation of an organization and individuals, and apply basic methods and concepts of business planning, management and accounting.</li> <li>3. Keep track of professional literature in Croatian and a foreign language, prepare and independently deliver presentations in Croatian and a foreign language to professional and general public, and critically evaluate a presented professional topic.</li> </ol>
<b>Content</b>	<ol style="list-style-type: none"> <li>1. <b>Introduction to economics.</b> Classification of economics on microeconomics and macroeconomics. Connection and conditioning of economics as theoretical science with practical problems. Monetary and fiscal policy. Gross domestic product. (2 hours)</li> <li>2. <b>Basic concepts of price modelling.</b> Demand and supply. Price elasticity of demand. Market structure and price. Perfect competition. Monopoly. Oligopoly. Price policy. Determining price based on costs. Determining price based on demand. Target costs and prices. (2 hours)</li> <li>3. <b>Definition of company.</b> Role of company in development of economic and social development of society. Foundation of a company and regulatory framework. Models of companies. Types of business activities. Criteria for company division. Structure of companies in Croatia. (2 hours)</li> <li>4. <b>BASIC AIMS OF COMPANIES' ACTIVITIES.</b> Traditional company theory. Behavioural company theory. Agency theory. Theory of transaction costs. Evolution theory. (2 hours)</li> <li>5. <b>Business result and financial reporting.</b> Basic financial reports (balance sheet, profit and loss account, cash flow statement). Determining company performance. Financial indicators (rentability, investment, debt, liquidity, stability). New measures of business performance. Measures oriented on managing company value. (2 hours)</li> </ol>

	<p><b>6. Principles of rational business activity.</b> Analysis of production and productivity. Productivity as a measure and criteria. Analysis of economic and technical features of production. Measures for improving production and productivity. Profitability analysis. Analysis of income and outcome. Measures for improving cost effectiveness. Production rentability. Measures for improving business result. Interaction of company performance indicators. (2 hours)</p> <p><b>7. Basic costs concepts.</b> Difference: costs, expenditure. Division of costs. Natural sorts of costs. Costs according to dynamics. Fixed costs. Variable costs. Decreasing, increasing and constant returns. Critical points in costs behaviour. Costs remanence. Costs reagibility. Costs in long term. Economies of scale. The learning curve. Contemporary costs concepts. (2 hours)</p> <p><b>8. Separating costs on fixed and variable costs – basis for business decisions and costs forecasting.</b> Methods of costs separation. The variator method. The interpolation method. The regression line method. Costs estimation. Contribution analysis (business decisions based on marginal costs). (2 hours)</p> <p><b>9. The break-even point.</b> Graphical representation of break-even point. Determining target profit. The safety rate. Influence of changes in prices of factors, quantity and fixed costs on break-even point. Empirical application of the break-even point. Operational lever. (2 hours)</p> <p><b>10. Calculations.</b> Types of calculations in business decision making. Direct and indirect costs. Calculations in trade, Calculations in project cost management. Calculations of product price. Functional system of cost accounting. Methods of calculations in functional costs accounting. Division and additional calculations. (2 hours)</p> <p><b>11. Activity Based Costing (ABC method).</b> Rationale for ABC method in costs management. Identification of activities. Association of costs and activities. Determining factors of dissipation. Problems in ABC system introduction. Comparison of functional and ABC system of cost management. (2 hours)</p> <p><b>12. Types of plans.</b> General plan. Sales plan. Production plan. Direct costs plan. General production costs plan. General management and sales plan. Soled products plan. Planned report on cash flow. Planned profit and loss account. Planned balance sheet. (2 hours)</p> <p><b>13. Internal and external conditions in business policy making.</b> Analysis of technological, social, demographical, economic and political factors. Development policy. Expansion. Diversification. Integration. Conversion. Contraction. (2 hours)</p> <p><b>14. Economic laws in business activities.</b> The law of minimum and maximum. Law of optimum. Law of increasing returns and mass production. Law of decreasing returns. Substitution law. Transport costs and location law. (2 hours)</p> <p><b>15. Basic concepts of market economy.</b> Marketing as business philosophy. Marketing management. Segmentation, targeting market and positioning products. Marketing mix. Product, price, place, promotion. (2 hours)</p>
<b>Exercises</b>	<p>Exercises are highly practical and follow the theoretical part of Syllabus.</p> <p>Each exercise term is dedicated to solving practical calculative assignments and applying theoretical concepts on business examples.</p>
<b>Realization and examination</b>	<p>The course is taught in English through Lectures and Exercises. Students are obliged to make a presentation on the topic related to the course. There are regular</p>

	calculative assignments that students are obliged to solve. Two exams are solved through semester. Final grade is the product of all the above activities.
<b>Related courses</b>	Managerial economics
<b>Literature</b>	<p>Dvorski, S., Kovšca, V., Lacković Vincek, Z.: Ekonomija za poduzetnike - uvod u poslovnu ekonomiju, TIVA - Tiskara, Varaždin, 2018.</p> <p>Dominick, S.: Managerial Economics in a Global Economy, Oxford University Press, 8th Revised edition, 2015.</p> <p>Moodle materials</p>