Introduction to business administration

Academic Year: (2022 / 2023) **Review date: 09-05-2022**

Department assigned to the subject: Business Administration Department

Coordinating teacher: ORTEGA DIEGO, JAIME

Type: Basic Core ECTS Credits : 6.0

Year : 1 Semester : 1

Branch of knowledge: Social Sciences and Law

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

There are no pre-requisites for this course.

OBJECTIVES

The student will be able to:

- Understand the basic functional areas of the firm.
- Understand basic elements of the firm's competitive environment.
- Understand the importance of planning and use basic planning and control tools.
- Understand the importance of financing and investment decisions and use basic finance tools.
- Understand the differences among the main production management systems.
- Understand the scope of marketing and its importance for a firm's success.

DESCRIPTION OF CONTENTS: PROGRAMME

Compulsory course materials include not only the contents of the lectures and practical sessions, but also the chapters of the reference books that are indicated for each topic. Moreover, students will be expected to have a knowledge of the economic, political and social context in accordance with their status of university students, based on the press or other information media.

PART I. INTRODUCTION

1. The current business environment
1.1. Globalization
1.2. Digitalization
1.3. Diversity
1.4. Sustainability

2. Corporate social responsibility
2.1. Towards shareholders
2.2. Towards clients
2.3. Towards employees
2.4. Towards lenders
2.5. Environmental responsibility

Readings:
Madura (2010), Chapter 2.

PART II. FIRM STRATEGY

3. General strategy
3.1. Industry analysis
3.2. Internal analysis: resources and capabilities
3.3. Business stategies
3.4. Corporate strategies

Readings:
Dess and Lumpkin (2003), Chapters 3, 5 and 6.
Mateos (2006), Chapters 5 and 6.

4. Marketing strategy
4.1. Identifying the target market
4.2. Positioning
4.3. Consumer behavior

Readings:
Maynar, Bañegil and Galera (2007), Chapter 9.

5. Production strategies
5.1. Production concepts
- Break-even point and operational leverage
- Productivity and costs
- Economies of scale
- Costs and benefits of inventories
- Flexibility

5.2. Production strategies
- Mass production
- Flexible production
- Just in time production

Readings:
Maynar, Bañegil and Galera (2007), Chapter 7.

PART III. FINANCIAL MANAGEMENT

6. Financial analysis
6.1. Accounting information: financial information in the balance sheet and income statement.
6.2. Economic and financial analysis of the firm
- Accounting ratios
- Economic and financial return.
- Leverage: operational, financial and total.
- Working capital
- Production to invoice lead time

Readings:
Madura (2010), Chapter 15.
Maynar, Bañegil and Galera (2007), Chapter 5.

7. Investment decisions
7.1. Caracterizing an investment project
7.2. Payback
7.3. The time value of money
7.4. Net present value and internal rate of return

Readings:
Maynar, Bañegil and Galera (2007), Chapter 6.
Madura (2010), Chapter 17.

8. Financing
8.1. Debt financing
8.2. Equity financing
8.3. Capital structure

Readings:
Maynar, Bañegil and Galera (2007), Chapter 6.
Madura (2010), Chapter 16.

PART IV. ORGANIZATION AND HUMAN RESOURCE MANAGEMENT

9. Organizational structure
9.1. Elements of structure
- Chain of command
- Scope of control
- Line and staff

9.2. Horizontal and vertical coordination
9.3. Departmentation criteria

9.4. Types of structures
-Functional
-Multidivisional
-Matrix
-Horizontal
-Modular

Readings:
Madura (2010), Chapter 8.
Mateos (2006), Chapter 9.
Daft, Murphy and Willmott (2017), Chapter 4.

10. Human resource management
10.1. Internal labor markets
10.2. High performance work practices
10.3. Externalization
10.4. The role of the legal framework

PART V. PRODUCTION MANAGEMENT

11. Production decisions
11.1. Location
11.2. Capacity
11.3. Plant layout

Readings:
Maynar, Bañegil and Galera (2007), Chapter 7.

12. Production control
12.1. Productivity control
12.2. Quality control
12.3. Inventory control

Readings:
Maynar, Bañegil and Galera (2007), Chapter 8.

PART VI. MARKETING DECISIONS

13. Product and price
13.1. Product attributes
13.2. Price setting

Readings:
Madura (2010), Chapter 12.
Maynar, Bañegil and Galera (2007), Chapter 10.

14. Product distribution and promotion
14.1. Distribution
- Distribution channels: direct, one level, several levels
- Market coverage: intensive, selective and exclusive distribution
- Characteristics of retailers
- Services of wholesellers

14.2. Promotion
- Advertising
- Personal sale
- Sales promotion
- Social networks

Readings:
Madura (2010), Chapters 13 and 14.
Maynar, Bañegil and Galera (2007), Chapter 10.

LEARNING ACTIVITIES AND METHODOLOGY

Every week there will be a theory session (in a large group) and a practical session (in a small group). Students must study the contents of each theory session after the session takes place. Exercises and cases must be solved before the corresponding practical sessions. Practical sessions will be devoted to discuss and provide solutions to the exercises that students will have previously worked at. There will also be weekly office hours which will be scheduled by each professor at the beginning of the term.

ASSESSMENT SYSTEM

The final grade will be the weighted sum of two partial exams (each counting 20%), weekly assignments (10%) and a final exam (worth 50%). The compulsory materials for all exams include not only the contents of the lectures and practical sessions, but also the chapters of the reference books that are indicated for each topic. Moreover, students will be expected to have a knowledge of the economic, political and social context in accordance with their status of university students, based on the press or other information media.

An absence in any of the partial exams will imply a grade equal to zero in that exam except in case of a medical cause. In that case, the student will have to provide a medical certificate stating that on the day of the exam his health made it impossible to take an exam in normal conditions.

In order to compute the weighted average of all marks, the student must obtain at least 4 points in the final exam. Otherwise, the student will not pass the course.

If the percentage of students with an overall grade of Sobresaliente is less than 10 percent of the students who have taken the final exam in the Degree, the following corrections will be applied:

a) the top students with a Notable grade will be given a grade of 9 until the 10-percent level is approximately reached.

b) After the previous correction is made, if the number of students with a Notable grade is below 10 percent, an analogous correction will be made, raising the grades of the top students with an Aprobado grade to 7, until a 10-percent level is approximately reached.

c) After the previous correction is made, if the number of students with an Aprobado grade is below 15 percent, the grades of the students with the highest Fail grades will be raised to 5 until the 15-percent level is approximately reached.

These percentages will in any case be considered approximate.

% end-of-term-examination:	50
% of continuous assessment (assigments, laboratory, practicals…):	50

BASIC BIBLIOGRAPHY

- Madura, Jeff Introduction to Business, Paradigm Publishing, 2010

- Maynar, Pilar; Bañegil, Tomás; Galera, Clementina La economía de la empresa en el espacio de educación superior, McGraw-Hill, 2007

ADDITIONAL BIBLIOGRAPHY

- Daft, Richard; Murphy, Jonathan; Willmott, Hugh Organization Theory and Design: An International Perspective, Cengage Learning, 2017

- Dess, Gregory G.; Lumpkin, G. T. (Tom) Dirección estratégica, McGraw-Hill, 2003

- Mateos, Petra (ed.) Dirección y objetivos de la empresa actual, Editorial Centro de Estudios Ramón Areces, 2006