

Description of Discipline

Title of Discipline: <i>Substantiation of Business Decisions and Risk Assessment</i>					
Semester	Duration	Type of Discipline	ECTS Credits	Academic Workload	Language of Instruction
8	180 hrs.	optional	6	50 hours of classroom training, 130 hours of self-study	Ukrainian

Learning Outcomes	Teaching Methods	Evaluation Methods
LO5. To apply analytical and methodological tools to substantiate offers and make managerial decisions by various economic agents (individuals, households, enterprises and public authorities).	Lectures, explanation, illustration	Combined evaluation, exam
LO7. The ability to apply economic and mathematical methods and models to solve economic problems.	Presentation, illustration, explanation, online teaching	Final tests, graphic methods, evaluation using a computer, exam
LO17. To be able to be flexible and adapt to new situations when working with new objects under uncertain conditions.	Problem tasks, discussion, observation	Combined evaluation, exam
LO23. To demonstrate self-study skills, critical, creative, self-critical thinking.	Discussion	Individual evaluation, exam

Title of Discipline / Substantiation of Business Decisions and Risk Assessment				
Semester	Duration	Type of Discipline	ECTS Credits	Student Workload
8	180 hrs.	elective	6	50 hours of teaching, 130 hours of self-study

Requirements for Participation	Type of examination (oral, written, term paper, etc.)	Methods of teaching and learning (lectures, seminars, etc.)	Discipline Coordinator
Completed disciplines 'Business Economics', 'Organization of Production', 'Computer Science'	Written exam	Lectures, practical classes, self-study, individual assignments	M. Polenkova

Learning Outcomes
GC3. Ability to abstract thinking, analysis and synthesis. GC4. Ability to apply knowledge in practical situations.

GC5. Ability to communicate in the state language both orally and in writing.
GC7. Skills in the use of information and communication technologies.
GC8. Ability to search, process and analyze information from various sources.
GC9. Ability to adapt and act in a new situation.
GC11. Ability to make informed decisions.

SC1. Ability to show knowledge and understanding of the problems of the subject area, the basics of the modern economy at the micro, meso, macro and international levels.
SC6. Ability to apply economic and mathematical methods and models to solve economic problems.
SC7. Ability to use computer technology and data processing software to solve economic problems, analyze information and prepare analytical reports.
SC10. Ability to use modern sources of economic, social, managerial, accounting information for the preparation of official documents and analytical reports.
SC11. Ability to substantiate economic decisions on the basis of understanding the laws of economic systems and processes and using modern methodological tools.
SC14. Ability to analyze in depth problems and phenomena in one or more professional areas, taking into account economic risks and possible socio-economic consequences.
SC16. Ability to assess the impact and take into account external and internal factors in planning activities and developing strategies for enterprise development.
SC22. Implement in the production system and enterprise management system developed measures and design solutions to improve the efficiency of the enterprise in conditions of uncertainty and risk.
SC27. Ability to prepare information, choose the type of model, calculate its parameters and assess adequacy.
SC29. Ability to identify and justify the priority areas of organizing your own business.
SC31. The ability to formulate management decisions, evaluate and choose their alternatives”, think creatively.
SC32. Ability to prepare and conduct quantitative and qualitative marketing research, prepare reports on the state and dynamics of the market of goods and services.

PLO2. Understand the principles of economics, features of economic systems.
PLO5. Apply analytical and methodological tools to substantiate proposals and make management decisions by various economic agents (individuals, households, enterprises and public authorities).
PLO7. Apply appropriate economic and mathematical methods and models to solve economic problems.
PLO9. To analyze the functioning and development of economic entities, to determine the functional areas, to calculate the relevant indicators that characterize the effectiveness of their activities.
PLO10. Apply the acquired theoretical knowledge to solve practical problems and meaningfully interpret the results.
PLO11. Identify sources and understand the methodology for determining and methods of obtaining socio-economic data, collect and analyze the necessary information, calculate economic and social indicators.
PLO12. Be able to use data, provide arguments, critically evaluate logic and draw conclusions from scientific and analytical texts on economics.
PLO14. Use regulations and legal acts governing professional activities.
PLO15. Use information and communication technologies to solve socio-economic problems, prepare and present analytical reports.
PLO16. Be able to think abstractly, apply analysis and synthesis to identify key characteristics of economic systems at different levels, as well as the behavior of their subjects.
PLO17. Demonstrate flexibility and adaptability in new situations, in working with new objects, and in uncertain conditions.
PLO19. Be able to independently identify economic problems in the analysis of specific situations, to suggest ways to solve them.
PLO23. Assess possible risks, socio-economic consequences of management decisions.
PLO26. Be able to assess the level of economic security of the business, examine the dynamics of market conditions and summarize the development of situations in order to ensure the competitiveness of the enterprise.
PLO27. Ability to apply knowledge and understanding to solve problems that are characteristic of the economy.
PLO28. Ability to provide assistance and advice to employees and the public on practical issues of life safety and protection in emergencies.

Contents

MODULE 1. ECONOMIC SUBSTANTIATION OF BUSINESS DECISIONS

Topic 1. Essential characteristics of economic decisions

A business decision: its essence, quality and efficiency. The essence and features of a business decision. Classification of business decisions. Quality, efficiency and effectiveness of a business decision. Principles of evaluating the effectiveness of business decisions.

Topic 2. Technology of business decision-making

Elements of the process of developing, making and executing business decisions. Stages of business decision-making. Decision-making styles and ways. Basic models and decision-making tools.

Topic 3. Methodical bases of business decisions preparation

Conditions for making business decisions. Classical, behavioral and irrational decision-making models. The main factors influencing decision-making. Control over the process of implementation of business decisions. Types of control. Methods of developing business decisions.

Topic 4. Substantiation of business decisions and evaluation of their effectiveness

Approaches to substantiation of business decisions. A comprehensive approach to substantiate business decisions.

Topic 5. Forecasting and analysis of business decisions

Methods of forecasting business decisions. The main tasks of forecasting. The main principles of forecasting business decisions. Methods of analysis of business decisions. The essence and principles of the analysis of business decisions.

MODULE 2. RISK ASSESSMENT OF BUSINESS DECISIONS

Topic 6. Uncertainty as a primary cause of risk

Uncertainty factors and their consideration when making business decisions. Uncertainty classification.

Topic 7. Criteria for decision-making under uncertain conditions

Criteria (rules) for substantiation of economic decisions under uncertain conditions and their characteristics. Profit matrix and cost matrix.

Topic 8. Utility theory and its application in economic activity

Elements of utility theory and their application to assess people's attitude to risks. Executives and their behavior under risk conditions.

Topic 9. Business risks and their impact on business decision-making

Risk in the activity of an entity. Risk as an economic category. Risk and uncertainty. The main features of business risk. Factors influencing the degree of risk.

Topic 10. Criteria for making business decisions in the face of risk

Substantiation of business decisions under risky conditions. Criteria for decision-making under risky conditions.

Topic 11. Decision-making in conflict situations

Features of decision-making in conflict situations. The essence of game theory. The system of concepts of game theory. Clean and mixed strategies.

Topic 12. Substantiation of financial and investment decisions in the face of risk

Investment decisions and the criterion of their effectiveness. Consideration of risk when justifying discount rate. Systematic risk factor. Systematic risk and expected profitability of the company.

Topic 13. Qualitative assessment of business risks

Characteristics of major risk areas. Causes of major business risks.

The essence of political risks and their impact on the behavior of business entities. Social risks as a result of social tension, their forecasting and influence on the activity of enterprises.

Topic 14. Quantitative assessment of business risks

Possible losses in the process of running business. The degree of risk. A system of indicators of absolute and relative risk measurement. Risk curve. Quantitative risk assessment methods.

Topic 15. Fundamentals of risk management

The essence of risk management. The structure of risk management. Business risk management unit. Business risk management process.

Topic 16. Directions and methods of regulating and reducing risks

Risk avoidance and compensation. Hedging and risk insurance. Methods of risk reduction.

Exemplary Literature

Primary

1. Donets L.I. Economic risks and methods of their measurement: [textbook. manual] -K .: CUL, 2006.- 312 p.
2. Ivchenko I.Y. Modeling of economic risks and risk situations: [textbook]. - Kyiv: Center for Educational Literature, 2007. - 344 p.
3. Kaminsky A.B. Economic risk and methods of its measurement. - K.: Kozaky, 2002.-120p.
4. Lukyanova V.V. Economic risk. / V.V. Lukyanova, T.V. Holovach. - K .: VTs "Akademia", 2007. - 345 p.
5. Mashyna N.I. Economic risk and methods of its measurement: [textbook. manual]. - Kyiv: Center for Educational Literature, 2003. - 188p.
6. Pasichnyk V.G., Anilina O.V. Economic substantiation of economic decisions. - K .: Center for Educational Literature, 2005.-144p.

Secondary

1. Alekseeva L.V. Analysis and justification of business decisions. - M .: Finance and statistics, 1991. - 133 p.
2. Alenichev V.V. Insurance of currency risks, bank and export commercial loans: [textbook]. - M .: IST – Service, 1994. –212 p.
3. Balabanov I.T. Risk management: [monograph]. - M .: Finance and Statistics, 1996. - 188 p.
4. Berestneva O.G., Muratova E.A. Construction of logical models with the use of decision trees // Izvestiya Tomskogo politekhni cheskogo universiteta. - 2004. - V. 307. - № 2 - P.154-160.

Web resources

1. http://econ.fem.sumdu.edu.ua/images/stories/menu/publications/monographs/tses_melnyk.pdf
2. <http://www.smartcat.ru/RegionEconomic/RegionalEconomicV.shtml>