



COURSE DETAILS

"WINE ECONOMICS AND BUSINESS MANAGEMENT "

SSD AGR01 *

DEGREE PROGRAMME: VITICULTURE AND ENOLOGY

ACADEMIC YEAR 2021-2022

GENERAL INFORMATION – TEACHER REFERENCES

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GENERAL INFORMATION ABOUT THE COURSE

INTEGRATED COURSE (IF APPLICABLE):
MODULE (IF APPLICABLE):
CHANNEL (IF APPLICABLE):
YEAR OF THE DEGREE PROGRAMME (I, II, III): II
SEMESTER (I, II): II
CFU: 9

REQUIRED PRELIMINARY COURSES (IF MENTIONED IN THE COURSE STRUCTURE “ORDINAMENTO”)

PREREQUISITES (IF APPLICABLE)

Students must not have math entrance deficiencies

LEARNING GOALS

The course aims at providing students with basic notions related to key elements of the wine business such as market structures and wine market competition rules, economic and financial performance of vineyard and winery link to different models for profitability. The aim of the course is to connect the analysis of the competitive context of the wine farm to business management choices (production, commercial and logistics channels) and to make a global assessment of financial and economic performance.

EXPECTED LEARNING OUTCOMES (DUBLIN DESCRIPTORS)

Knowledge and understanding

The training course is aimed at acquiring the analytical skills and the ability to use the methodological tools necessary to study a wine farm as a system inserted in a technical and economic network of relationships. In the same way, the training course is aimed at acquiring all skills necessary to identify the institutional organizational structure of the wine farm, the special features of resources (natural, material and intangible resources) and production processes (grape cultivation and wine production). The training course ensures the ability to apply the appropriate methodological tools to understand causal relationships between economic results, management choices and the business model adopted by the wine farm.

Applying knowledge and understanding

The course is aimed at transmitting the skills and methodological and operational tools essential to apply them in practice. Students must be able to evaluate the expected effects of wine market changes (growth/contraction of market demand/supply) and assess management choices of wine farms (production, sales and logistics). The student must be able to critically analyze the economic results; identify the main weaknesses of business management; select the operating tool to analyze them; collecting data and estimate the economic effects. Students must be able to analyze overall management results (net income), economic and financial returns (budget ratios) and partial results for each product (unit production costs).

COURSE CONTENT/SYLLABUS

Wine Industry (1 CFU):

- Dynamics of wine production, consumption, international trade. Regulation of wine markets (*basic* concepts).

Principles of Microeconomics (3.5 CFU):

- Basic principles of supply and demand theory. Elasticity of supply and demand. (1 CFU)
- Market: supply and demand interaction. Market equilibrium. Changes in supply and demand (0.5 CFU)
- Short-term costs (1CFU)
- Market structures. Perfect competition. Product differentiation and monopolistic competition. (1 CFU).

Principles of Business Management (4.5 CFU)

Firm as complex institution and organized system (0.5 CFU)

- Firms as an organized system. Firm and wine supply chain. Firm and value chain. Economic and competitive environment and business strategies. Sustainability and business management

Farm organizational structure (0.5 CFU)

- Tangible and intangible resources. Nature and ownership of production factors: land, labour, capital.
- Production processes: constraints and risks of grape-growing and wine-making productions.

Farm legal institutional structure (0.5 CFU)

- The legal form and corporate structure of a company. Taxation in agriculture.

Farm information system(3 CFU)

- Economic and financial results. The financial statements. Balance sheet ratios: analysis of the company's efficiency, profitability and solvency. (2 CFU)
- Cost analysis of vineyard and cellar activities. Fundamentals of financial mathematics (1 CFU).

READINGS/BIBLIOGRAPHY

Principles of Microeconomics: The basic economics textbook referred to is Krugman P. and Wells R. (2018). The essentials of economics. 4th edition. Economy Series - Zanichelli Editore, Bologna (Main text). A list of supplementary books will be discussed.

Principles of Business Management: The basic economics textbook referred to is Antony R., Hawkins D., Macri D.M., Merchant K.A. (2021). The budget. Mc Graw Hill publisher, Milan. (Main text). A list of supplementary books will be discussed.

Wine Industry: ISMEA - Institute of services for the agricultural food market (2021) Wine - Sector sheet. <http://www.ismeamercati.it/>.

Supplementary readings: Notes and exercises provided by the teacher. Selected research papers and articles are suggested as supplementary readings. These papers will be presented during the lecture and uploaded to the reserve collection.

TEACHING METHODS

The teacher will use: a) lectures for about 70% of the total credits, b) exercises to practically deepen theoretical or to deepen the applied knowledge (laboratory activities of Wine Economics) for 25% of the total credits c) interdisciplinary seminars on specific topics held by professors of the Department of Agriculture and other University for 5% of the total credits.

EXAMINATION/EVALUATION CRITERIA

a) Exam type:

Exam type	
written and oral	X
only written	
only oral	
project discussion	
other	

In case of a written exam, questions refer to:	Multiple choice answers	X
	Open answers	X
	Numerical exercises	X

Exam type consisting of the compulsory final exam (120 min. offered in a written form and 30 min. as an oral exam) as well as in-class participation and discussion (up to 10% in noteworthy cases otherwise the exam will count 100%).

b) Evaluation pattern:

The score of the written test consists only of the correct answers. To access the oral exam, the minimum passing score of the written exam is 18 points out of 30.