

**AZƏRBAYCAN RESPUBLİKASI TƏHSİL NAZİRLİYİ
QƏRBİ KASPI UNİVERSİTETİ**



“I confirm”

**Head of the
Department _____ PhD, Assoc.
Prof. Hajiyeva G.S.**

**Protocol No. 01
Date: 12.09.2022**

**DEPARTMENT: “Finance and Accounting”
FACULTY (SCHOOL): Economics and Business
SPECIALTY (code): 050644
COURSE NAME: “Price and Evaluation”
GROUP: 529 I, IV year.
FORM OF EDUCATION: Face-to-face
ACADEMIC YEAR: 2022-2023
SEMESTER: VII (AUTUMN)**

I. INFORMATION ABOUT THE SUBJECT:

**COURSE CODE:
TOTAL TEACHING LOAD (HOURS): 60 hours
LECTURE: 30 hours
SEMINAR: 30 hours
CLASS DAYS AND HOURS:
NUMBER OF CREDIT:**

II. INFORMATION ABOUT THE TEACHER:

Ibrahimova Sadaqat Veli gizi, Doctor of Philosophy in Economics, Associate Professor
(Surname, first name, patronymic, academic title)

SCIENTIFIC INTERESTS, INVENTIONS AND MAJOR SCIENTIFIC WORKS:

60 scientific articles, 1 textbook, 1 teaching aid, 1 monograph, 17 subject programs (master's and bachelor's).

WELCOME MESSAGE FROM THE HEAD OF THE COURSE: The subject “Price and Valuation” studies the nature, types, factors determining the formation and dynamics of prices, methods of valuation, pricing strategy and tactics, the mechanism of state regulation of prices. Here, specific methods of valuation in various market structures, in the financial market, on commodity and stock exchanges, in various sectors of the economy are explained in detail. The teaching of the subject also covers the theoretical foundations of property valuation, factors of property market formation and approaches used in valuation, principles of valuation activities, organizational and management aspects, legal foundations of property valuation, features of regulation of valuation activities, valuation standards and norms, world experience in the development of valuation activities.

III. DESCRIPTION AND PURPOSE OF THE SUBJECT:

DESCRIPTION OF THE SUBJECT:

The purpose of teaching the subject is to teach students the mechanism of determining and justifying prices for various types of goods and services. Considering that price policy is an integral part of the state's economic policy, studying the experience of price regulation and improving valuation activities is one of the priority directions in teaching the course.

The tasks facing the teaching of the subject are the following:

- Interpretation of the theoretical foundations and methodology of pricing;
- Teaching students the rules for determining the relationship and ratios between types of prices;
- Instilling the ability to identify and analyze factors that determine the level and dynamics of prices;
- Conducting detailed information on the main directions of pricing policy and pricing tactics;
- Interpretation of the characteristics of price formation and methods of regulation in various market structures;
- Explanation of the regularities of price formation in various segments of the financial market;
- explanation of theoretical and practical aspects and principles of property valuation;
- systematic interpretation of organizational and managerial features, legal bases and methods of regulation of valuation activities;
- teaching of different approaches to property valuation and their methods, the procedure for property valuation for various purposes;
- instilling the ability to agree on the results of the valuation and draw up a report on the value of the property.

IV. DIVISION OF SUBJECTS BY TEACHING HOURS

Total-60 hours: (Course -30 hours; Semester -30 hours.)

№	Topics	A brief outline of the topic to be taught	Hours		tarix
			Lectures	Seminar	
1	Theoretical foundations of price formation.	Price as an economic category. The concept of tariff. Modern price theories. Theoretical foundations of price formation. The main functions of price and the relationship between them. Methodological and organizational principles of price formation. Composition, structure and level of price.	2	2	
2	Methods of price formation.	Methodology of price formation. Cost methods of valuation. Parametric methods of valuation. Alternative market methods of valuation. Economic-mathematical methods and models of valuation.	2	2	
3	Factors that determine price formation.	General characteristics of the factors that drive pricing. Cost factors of pricing. Break-even point. Income and tax factors of pricing. External factors of the pricing process.	2	2	
4	Fundamentals of supply and demand analysis in price formation.	General characteristics of the factors that drive pricing. Cost factors of pricing. Break-even point. Income and tax factors of pricing.	2	2	

		External factors of the pricing process.			
5	Pricing policy, strategy and tactics.	Pricing policy, its main goals and directions. Pricing strategies and stages of their development. Pricing tactics. Reaction of consumers and competitors to price changes.	2	2	
6	State regulation of prices.	The essence, objects, goals and objectives of state regulation of prices. Forms and methods of direct state influence on prices. Forms of indirect price regulation. Normative and legal foundations of state regulation of prices in Azerbaijan. Experience of state regulation of prices in foreign countries.	2	2	
7	Price formation in pure competition and monopoly markets.	Classification of market structures. The optimum of a purely competitive enterprise. The main characteristics of a purely monopoly market. Maximization of monopolist profits. Monopolistic equilibrium and price elasticity of demand. Social price of monopoly. The main options for state pricing policy against natural monopolies. Price discrimination and its degrees.			
8	Price formation in monopolistic competition and oligopoly markets.	Characteristics of a monopolistic competition market. Short- and long-run equilibrium in monopolistic competition. Advertising and product promotion in monopolistic competition markets. Main characteristics of oligopolistic markets. Leadership in price setting (quasi-monopoly). Duopoly, Chamberlin and Stackelberg models. Bertrand (oligopolistic “price wars”) model. Methods of competition between oligopolists.	2	2	
9	Price formation in the financial market.	Financial market and its structure. The relationship between money supply and prices. I. Fisher's exchange equation. The essence of the concept of the price of credit. Determination of the interest rate. External and internal factors of changes in the price of credit. Models of determining credit rates in banking practice. Price dynamics and inflation.		2	

10	Price formation on commodity and stock exchanges.	Stock exchange as a market instrument. Features of price formation on the commodity exchange. Transactions on real commodities and futures transactions. Features of price formation on stock exchanges. Quotation of prices. Crossing transaction. Exchange rate of securities. Share exchange rate index. Exchange price indices.	2	2	
11	Price formation for consumer goods and products of production and technical purpose.	Factors and motives of price formation for consumer goods. Methods of price formation for consumer goods. Features of price formation for products of production and technical purpose. Model of price determination for products of production and technical purpose. Mechanism of price formation for products of production and technical purpose within the framework of tender (auction).	2	2	
12	Theoretical foundations of property valuation.	The essence, necessity and objectives of property valuation. Subjects, objects, types and types of valuation. Concepts of cost, value and price in valuation. The value of property and its main types. The main stages of property valuation. Principles of valuation activities.	2	2	
13	Cost approach in valuation activities.	The economic essence of the cost approach to property valuation. Principles of property valuation using the cost approach. Advantages and disadvantages of the cost approach. Stages of conducting a valuation from a cost perspective. Estimation of the restoration or replacement cost. Methods for calculating the cumulative depreciation of the assessed object.	2	2	
14	Comparative approach to property valuation.	The essence, features and scope of the comparative approach. Advantages and disadvantages of the comparative approach. The main stages of valuation by the comparative approach. The main comparative elements of the valuation object. Corrections to the comparative approach. Reconciliation of the results obtained and determination of the market value of the object.	2	2	
15	Income approach to property valuation.	The essence, features and scope of the comparative approach. Advantages and disadvantages of the comparative approach. The main stages of valuation by the comparative approach. The main	2	2	

		comparative elements of the valuation object. Corrections to the comparative approach. Reconciliation of the results obtained and determination of the market value of the object.			
--	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--

During the teaching of the subject, each student prepares free creative works outside the classroom on the topics determined by the teacher during the semester. Free creative works are compiled in manuscript, printed or electronic form and are evaluated by submitting them after defense in accordance with the relevant rules.

The main topics of free creative works are compiled on topics in accordance with the calendar-thematic plan intended for teaching the subject "Evaluation and Assessment". These topics can be given to students individually, in separate groups or as a whole group. Free creative works submitted after the specified deadline, regardless of the reason, will not be accepted and their results will not be evaluated.

EXPERIENCE TO BE GAINED:

- Theoretical foundations of pricing;
- types of prices and their mutual relationships;
- factors influencing the level and dynamics of prices;
- main directions of pricing policy and options for applying pricing tactics;
- methods of determining prices in the cosmetics market;
- features of price formation in different types of markets;
- principles of valuation activities;
- procedures for applying traditional approaches and methods of valuation;
- methods for reconciling the results of valuation..
- differentiation of main approaches or directions in the theory of pricing;
- application of price calculation methods;
- assessment of the impact of various factors on the level and dynamics of prices;
- calculation of prices of consumer goods and stock market indices;
- selection of analogous objects and making adjustments to them;
- capitalization and discounting of income;
- compilation of a valuation report.

FORM OF TEACHING (FORM AND METHODS OF TEACHING):

1. Lecture;
2. Discussion of the topic;
3. Seminars and colloquiums.

FORM OF ASSESSMENT:

1. Consultation hours are organized before the exam.
2. Exams and midterm exams (colloquiums) are conducted in written form.
3. Issues related to the admission of students to exams and midterm exams are resolved by the dean of the faculty. Exams and midterm exams are conducted in accordance with the "Rules for the Organization of Training at the Bachelor's and Master's Levels of Higher Education Institutions with a Credit System", approved by the Resolution No. 348 of the Cabinet of Ministers of the Republic of Azerbaijan dated December 24, 2013.
4. Each student must complete 1 independent work during the semester. The topics of independent work cover the topics covered. Each independent work is evaluated on a 10-point system.
5. The topic of the independent work is presented to the student by the teacher no later than the

2nd week of each semester and is received no later than 2 weeks before the end of the relevant semester.

IV. GENERAL RULES:

1. ATTENDANCE: A student who does not attend more than 25% of all hours allocated for the subject is not allowed to take the exam.

2. SUBJECT GRADING RULES:

Maximum number of points – 100 points

1. Maximum points accumulated during the semester – 50 points

- Maximum for attendance in the lesson – 10 points

- Maximum for independent work of students – 10 points

- Maximum for activity in seminar classes – 30 points

In seminar classes, if the student has at least 3 (three) marks in the journal, he is credited with points for this type of teaching. Otherwise, he is not credited with points. In individual subjects, a student is given 1 (one) independent work assignment during the semester on the subject. The assignments of independent work can be in various forms (problem and practical tasks on lecture topics, issues, examples, etc.). These tasks are determined by the teacher teaching the subject. The completion of the task is evaluated with 10 points. The teacher checks and accepts the tasks outside of class time.

2. Maximum score according to the exam results - 50 points

3. The student's score in the exam should not be less than 17.

4. Students whose total score during the semester and according to the exam results is more than 50 are considered to have mastered the subject.

V. ASSESSMENT OF STUDENTS' KNOWLEDGE:

Evaluation criteria:

- Below 51 points – "insufficient" - F

- 51 – 60- "satisfactory" - E

- 61 -70 -"sufficient" – D

- 71 – 80 – "good" – C

- 81 – 90 – "very good" – B

- 91 – 100 - "excellent" – A

VI. SUBJECT CALENDAR PLAN: LECTURE

In addition to seminar and lecture hours, when teachers meet with you, there are also recommended office hours during which you can approach the departments with questions or inquiries during the semester.

VII. INDIVIDUAL WORK TOPICS:

1. Marketing principle in pricing
2. Price tactics
3. Price discrimination
4. International experience of state regulation of prices
5. Cheapening and its implementation

6. Money multiplier
7. Consumer services tariffs
8. Stock exchange price indices
9. Stock exchange quotes
10. Legal basis of pricing activities
11. Methods of assessing the replacement value
12. Stages of conducting a valuation
13. Models of pricing credit resources
14. Procedure for making corrections to the comparative approach
15. Stages of applying the income approach
16. Stages of applying the cost approach
17. Stages of applying the comparative approach
18. Functions of the monetary unit
19. Theoretical foundations of pricing
20. Market insurance of prices
21. Tax factors of pricing
22. High prices ("cream picking") strategy.
23. Fixed price strategy

EXAM QUESTIONS:

1. Price as an economic category.
2. Modern price theories
3. Main functions of price
4. Basic principles of price formation:
5. Composition, structure and level of price.
6. Cost methods of price formation
7. Parametric methods of price formation:.
8. Alternative market methods of price formation:
9. General characteristics of price-forming factors.
10. Cost factors of price formation.
11. Non-price determinants of supply
12. The concept of price elasticity of demand
13. Income elasticity of demand
14. Pricing policy and its main objectives.
15. Main strategies of price formation.
16. Price tactics
17. State regulation of prices
18. Forms of direct state influence on prices
19. Forms of indirect regulation of prices
20. Optimum of a purely competitive enterprise.
21. Maximization of monopolistic profits.
22. Natural monopoly and its price regulation.
23. Price discrimination:
24. Main characteristics of a monopolistic competition market.
25. Basic provisions of oligopolistic pricing.
26. Complex quantity and price models of oligopoly

27. Interaction between money circulation and prices.
28. External and internal factors of credit price changes.
29. Features of price formation on stock exchanges.
30. Stock exchange indices:
31. Factors and motives of price formation for consumer goods.
32. Methods of pricing consumer goods:
33. Features of price formation for products of production and technical purpose.
34. Model of pricing for products of production and technical purpose
35. Price formation for products of production and technical purpose within the framework of a tender (auction).
36. Essence, necessity and objectives of valuation.
37. Subjects and objects of valuation.
38. Types and types of valuation.
39. Value of property and its main types.
40. Main stages of property valuation.
41. Principles of valuation activity.
42. Cumulative depreciation of an object and methods of its valuation.
43. Cost approach to property valuation and its principles.
44. Stages of conducting a valuation from a cost perspective.
45. The main stages of valuation by the comparative approach.
46. The essence, advantages, disadvantages and scope of application of the income approach.
47. The method of direct capitalization of income.
48. Types of income from the use of property.
49. The method of discounting cash flows
50. Simple and compound interest.

VIII. REQUIRED TEXTBOOKS AND TEACHING MATERIALS:

(Providing full information about the textbook)

Main textbooks and teaching aids:

1. "Price Formation", textbook, Baku, 2019
2. I.G. Guliyev "Price Formation", methodological manual, Baku 2015
3. N.J. Gafarov, I.G. Guliyev "Price and Valuation", textbook, Baku 2017
4. A.D. Chudakov "Prices and Price Formation". Baku, 2011
5. 5.. Kh.H. Kazimli "Fundamentals of Valuation". Baku, 2008
6. Tomas NEQL "Strategy and Tactics of Valuation". Baku, 2009
7. Kh.H. Kazimli, Sh.A. Agabeyov, A.Kh. Kazimova "Property Valuation". Baku, 2010
8. В.Е. Есипов Pricing Peter Press 2016
9. A.V. Lipsits Commercial pricing Moscow 2017

Additional textbooks, materials, and resources:

Note: Other teaching materials may also be used during the course.

Prepared by:

Doctor of Philosophy, Associate Professor Ibrahimova S.V.