

Earl N. Phillips School of Business
High Point University
Course Syllabus
Free Enterprise and Capitalism
ECO 240 T TH 9:30-10:45 A.M.
Spring 2008

Dr. Stephanie O. Crofton

CATALOG DESCRIPTION: An analysis of the merits and ethical foundations of free enterprise and capitalism. The principles of free enterprise will be applied to a variety of historical and current issues ranging from business regulation and labor markets to health care, economic development in the Third World, and the environment.

PREREQUISITES: ECO 207

COURSE TEXTS: *Atlas Shrugged* by Ayn Rand. A schedule of the assigned chapters from *Atlas Shrugged* will be provided on the first day of class. Additional readings about historical and current issues will be assigned throughout the semester. These will also be required readings for the course.

COURSE OBJECTIVES AND SCOPE: The objective of this course is to examine the merits of free enterprise and capitalism as presented by several historical and current writers. The course will examine both writers who defend free enterprise using ethical arguments and others who emphasize the analysis of the practical outcomes of free enterprise versus government regulation. Students should gain a better understanding of how the principles of free enterprise may be applied to a variety of social and economic issues, both historical and current.

As a result of taking this course, students should achieve the following outcomes:

1. Understand the case for free enterprise based both on economic efficiency and on ethical grounds.
2. Understand the principles of Objectivism and their economic implications.
3. Understand how the Austrian School of economics links economic freedom to political and personal freedom.
4. Understand how the Chicago School of economics applies economic analysis outside of the business arena to issues ranging from law to social issues.
5. Understand how the Public Choice School views similarities and differences between choice by consumers in economic markets and choice by voters in political markets.

6. Understand how property rights and government regulation relate to levels of economic development across developed, developing, and underdeveloped economies.
7. Be able to apply the principles of free enterprise to a variety of historical and current issues in business regulation and their implications for workers, investors, consumers, and technological innovation.
8. Be able to apply the principles of free enterprise to historical and current social issues ranging from education to health care, retirement, and the environment.

HONOR CODE:

The High Point University Honor Code expects all students to act in a manner so as not to infringe upon the rights and responsibilities of others. It is crucial to the development of the college student that one have the right to learn and prosper in a society free from fraudulence and dishonesty. It is the responsibility of each student to help maintain such a society.

The High Point University Honor Code affirms that:

- Every student is honor bound to refrain from conduct which is unbecoming of a High Point University student and which brings discredit to the student and/or to the University.
- Every student is honor bound to refrain from cheating.
- Every student is honor bound to refrain from collusion.
- Every student is honor bound to refrain from plagiarism.
- Every student is honor bound to confront a violation of the University Honor Code.
- Every student is encouraged to report a violation of the University Honor Code.

Full details of the High Point University Honor Code are found in the Student Handbook.

ECONOMICS 240 – Free Enterprise and Capitalism
Spring 2008 (T TH 9:30 – 10:45 a.m.)

INSTRUCTOR: Dr. Stephanie O. Crofton
 Office: Phillips 204 Office phone: 841-4569
 Office hours: MWF 10:00 – 11:00 TTh 1:00 – 2:00 or by appointment
 E-mail: scrofton@highpoint.edu

CREDIT HOURS: 3 semester hours

COURSE STRUCTURE: This course is a combination of lectures and student discussion. I encourage students to ask questions during class both about material covered in class and related current or historical events. You will be responsible on examinations for all classroom material, homework, and assigned readings regardless of whether they are covered in class.

GRADING: The midterm exam will cover the material that has been covered up to that exam date. The final will be cumulative. **Make-up exams will only be given in extreme cases and if I have been notified and arrangements have been made prior to the examination date.** Your course grade will be determined as follows:

Midterm Exam	25 %	Tuesday, February 19 th
Quizzes	15 %	
Presentation	15 %	
Short Papers	10 %	
Class Participation	5 %	
Final Exam	30 %	As scheduled by the University

GRADING SCALE: 96.5 % - 100 % A+
 92.5 % - 96.4 % A
 89.5 % - 92.4 % A -
 86.5 % - 89.4 % B+
 82.5 % - 86.4 % B
 79.5 % - 82.4 % B-
 76.5 % - 79.4 % C+
 72.5 % - 76.4 % C
 69.5 % - 72.4 % C-
 66.5 % - 69.4 % D+
 62.5 % - 66.4 % D
 59.5 % - 62.4 % D-
 59.4 % or less F

I reserve the right to adjust this scale in favor of the whole class.

CLASS PARTICIPATION: A portion of each student's course grade will be based on class participation. For this class, participation consists of participating in class discussions, asking and/or answering questions during class, completing discussion board assignments on Blackboard, and reading all assigned reading materials.

ATTENDANCE POLICY: Students who have three unexcused absences will be placed on probation. Students who then have one more unexcused absence will be dropped from the class with a grade of WA or FA. Students are responsible for all material and assignments made regardless of whether they are in class or not.

QUIZZES: In-class quizzes will be given periodically and will cover both the assigned readings and lectures. The purpose of these quizzes is to ensure that students read the assigned materials. Quiz dates will be announced the class meeting prior to the quiz. It is the student's responsibility to find out if a quiz has been announced when the student is absent.

SHORT PAPERS: During this course, each student will write several short papers (approximately 2-3 pages each) examining questions posed by the professor. Questions could address assigned readings or topics covered in class. Further information regarding the papers will be given during class. Due dates for the papers will be announced when they are assigned. All papers are due at the beginning of class. No late papers will be accepted.

All papers should appropriately cite all sources used (regardless of whether the source is directly quoted or paraphrased) according to proper citation standards. Any widely-recognized style manual (e.g., Chicago, MLA, etc.) can be used as a guide for acceptable citation methods. Any papers not correctly citing any of its sources will be penalized on the paper's final grade.

PRESENTATION: Each student will give a short PowerPoint presentation (approximately 10 minutes) the last few days of class. The exact dates will depend on how many students are enrolled in the course and will be announced after the mid-term. For the presentation, each student will focus on an entrepreneur that he/she views as a hero. Students may choose their entrepreneur, subject to instructor approval. However, no more than one student may make a presentation about a given entrepreneur. Thus students will select their entrepreneur on a "first come" basis. Each presentation will focus on how the selected entrepreneur improved the economy and society, how this entrepreneur compares and contrasts to the heroic entrepreneurs in *Atlas Shrugged* (such as John Galt, Hank Rearden, Dagny Taggart, etc.), and what characteristics of this individual helped him/her to be an entrepreneur. Additional information about the presentation requirements will be given in class.

STUDENTS NEEDING ACADEMIC ACCOMMODATIONS: Students with documented disabilities who may need academic accommodations should discuss these with Irene Ingersoll, Assistant Director & Coordinator of Disability Services, Smith Library, Lower Level during the

first week of class. Any student eligible and needing academic adjustments because of a documented disability should meet with me to arrange these accommodations.

Order of Topics to be Covered

In addition to the topics below, *Atlas Shrugged* will be read throughout the semester and a schedule of the assigned chapters from *Atlas Shrugged* will be provided on the first day of class.

1. An introduction to capitalism vs. socialism
2. Adam Smith and the Classical School of economics
3. Free enterprise and health care: price controls and organ markets
4. Friedrich Hayek and the Austrian School of economics
5. Free enterprise versus business regulation: deregulation and privatization
6. Ayn Rand and Objectivism.
7. Milton Friedman and the Chicago School of economics
8. Free enterprise and social issues: school vouchers
9. The Public Choice School
10. Hernando de Soto and/or Thomas Sowell, property rights, and government regulation
11. Free enterprise and the Third World: free trade, foreign investment, and property rights
12. Free market environmentalism: emissions trading

I reserve the right to alter the order in which these topics will be covered and to add or delete topics as necessary.

Honors Component

The following are additional requirements for students receiving honors credit for this course.

READINGS/DISCUSSION QUESTIONS: For most subject areas (an economist or a school of economic thought), honors students will be assigned additional readings. Most of these readings will be sections or chapters from the original works written by the economists covered in class. Students will be given a series of additional discussion questions to answer while reading the assigned materials. All discussion questions will be turned in.

RESEARCH PAPER: Honors students will be required to write an additional paper about how free market theories are/could be applied to solve a problem not covered in class (such as free market solutions to the insolvency of Social Security, etc). This additional paper should be approximately 5-10 pages. The topic chosen by each student must be approved by the instructor. Additional information regarding the paper will be provided in class.

PRESENTATION: The in-class PowerPoint presentation by honors students will last approximately 15 minutes (instead of 10 minutes).

REQUIRED MEETINGS: Honors students will be required to meet with the professor outside of class time at least three times during the semester. The first of these individual meetings will be used to discuss the topic chosen for the research paper, suggested research sources, etc. The second meeting will occur after the student has turned in a rough draft of the paper. During the meeting we will discuss my comments on the paper and how to improve it before the final draft is due. In the third meeting we will “preview” the student’s proposed PowerPoint presentation and we will discuss my suggestions for improvements in the presentation. Completion of the first two meetings will be graded as part of the research paper grade. Completion of the third meeting will be graded as part of the presentation grade.

GRADING: Course grades for honors students will not be determined as listed on page three of this syllabus. Course grades for students enrolled for honors credit will be determined as follows.

Midterm Exam	20 %	Tuesday, February 19 th
Discussion Questions	10 %	
Quizzes	10 %	
Presentation	10 %	
Short Papers	5 %	

Long Paper	20 %	Due: Thursday, April 10 th
Class Participation	5 %	
Final Exam	20 %	As scheduled by the University