

WHY BUSINESS?

Exploring the role of business in a humane and just society.



BUS 105

Wake Forest University School of Business

Prof. Matthew T. Phillips, JD

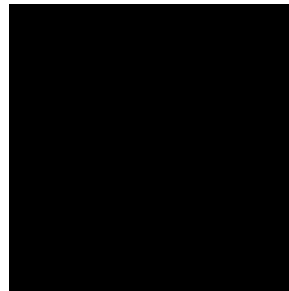
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Syllabus

Course Plan and Assignments

Fall 2017



Course Information

Introduction

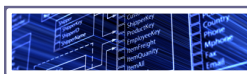
What is the proper role of business in a humane and just society? Many of you are about to dedicate your lives to business, and the rest of you will work, in one way or another, with business. Yet many people believe that business is an inherently suspicious activity. That suspicion is evident in the common belief that businesspeople need to “give back” to society. Is business an activity for which people must atone? Why exactly are people suspicious of it? Are they right to be suspicious?

In this course we will explore the nature of business, as well as the nature of the market economy of which it forms an integral part. We will investigate how business and the market economy function, both in theory and in practice, and what the purposes are that they are supposed to serve. We will also look at the moral implications of some specific issues and cases that arise in a market economy, in an effort to understand what limits, if any, there should be on business and markets.

Objectives

As part of the School of Business’s institutional commitment to placing business in its proper moral context, our goals will be to become familiar with the nature of business within a market economy, as well as some of the central objections and challenges that both business and the market economy face. We want to develop informed and reasoned positions of our own on the morality of markets and business, and of the moral purposes we ourselves will serve in the roles we play, or will come to play, in business.

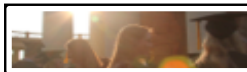
At the end of this class, you should be able to:



Explain how a market economy works and what role business plays in it.



Anticipate and address the central challenges, including moral challenges, that business and market economies face.



Articulate and defend a conception of honorable business and professional identity.



Explain how business can create value for others and contribute to a humane and just society.



Express, clearly and cogently, a reasonable answer to the question, "Why Business?"

This syllabus reflects the best available information and a projection of the material we are likely to cover at any given time in the course, but I reserve the right to modify the syllabus judiciously, and with timely notice, in order to serve the interests of student learning.

Principal Resources

- Otteson, James R., ed. *What Adam Smith Knew: Moral Lessons on Capitalism from Its Greatest Champions and Fiercest Opponents*. New York: Encounter, 2014. [[Amazon](#), [Google Books](#), [ZSR Library](#)]
- Otteson, James R. *The End of Socialism*. New York: Cambridge University Press, 2014. [[Amazon](#), [Google Books](#)]
- Sandel, Michael J. *What Money Can't Buy: The Moral Limits of Markets*. New York: Farrar, Straus and Giroux, 2012. [[Amazon](#), [Google Books](#)]
- Various other readings available on sakai.wfu.edu.



Evaluation

Discussion Questions

At several points during the semester, half of the students in each section will be assigned to respond to discussion questions to insure their preparation to lead in class discussion (you will be assigned to either Group 1 or Group 2 for this purpose). These assignments will be submitted through the “Tests & Quizzes” tab in Sakai by 8:00 AM on the due date. See the course plan below for specific assignments.

Midterm and Final Exams

These will be comprehensive examinations covering all aspects of the course, including lectures. The mid-term exam will take place during scheduled class sessions, and the final exam will be divided between the final scheduled class period and the prescribed examination period at the end of the semester.

Participation & Attendance

You are expected to contribute regularly, substantively, and relevantly during discussion sessions. Class attendance and class participation are not synonymous. The handouts, readings, and other materials assigned for class provide crucial background information on the topics we will cover. You are expected to have completed all assignments prior to class and to participate fully in class discussions by presenting your insights.

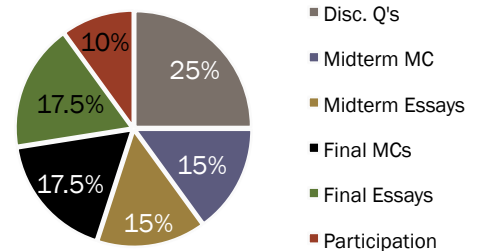
Of the 10% of your grade that is designated for participation, 5 points will be awarded for attendance. One point will be deducted for each absence, no matter the reason (unless excused by WFU Student Health). Upon the sixth and subsequent absences, your final course grade will be reduced by 10 points (one letter grade). Attendance is taken at the beginning of class. Students who arrive late will be counted absent.

Up to 4 participation points will be awarded based on leadership in class discussion (which is demonstrated by productive and insightful contributions, not simply talking more than others).

Attendance at scheduled class sessions and participation thus makes it possible to earn 9 of 10 participation points. You may earn additional points (up to 4) toward your participation grade by attending approved extracurricular events (e.g., lectures or panel discussions). You will demonstrate attendance by writing a short summary or, for events attended by many students, answering a short quiz.

Grade Calculation

- Discussion Questions (see above), worth 25% of your grade.
- Midterm Examination essays (worth 15%) and multiple choice (worth 15%), for 30% of your overall grade.
- Final Exam essays (worth 17.5%) and multiple choice (worth 17.5%), for 35% of your overall grade.
- Participation is 10% of your grade, and will count for a great deal of your experience in the class.



Requests to review a grade must be submitted within 7 days of the assignment being returned. Any request to review a grade must be accompanied by a written explanation of the perceived issue with the grade or feedback (not a general appeal such as “I really worked hard on this and I feel like I deserve a higher grade”). Such a request may result in a comprehensive reevaluation of the test or assignment. Any deliverable turned in late will have a minimum of 10% deducted from the available points for every day (or part thereof) that the deliverable is late.

Academic and Professional Integrity

Your professional identity in business will—in this program and throughout your career—depend on your integrity. Actually, it will depend most often on the *perception* of your integrity, which takes great care to steward effectively. Your continued presence in this course signals your acceptance of the Wake Forest University Honor Code (<http://go.wfu.edu/rwm>): you will neither lie, steal, cheat, plagiarize, nor engage in any other form of academic misconduct. Please ask if you are in doubt about any honor code issue: “I didn’t understand” is not an acceptable defense.



Contact and Engagement

Office hours are posted on a tab to the left of the Sakai site, and there is an automated method for making those appointments. Please use that tool when possible. All three of your faculty members make availability a priority; please don't hesitate to contact us.

Accommodation

Wake Forest University provides reasonable accommodations to students with disabilities. If you would like to request an accommodation, please contact the Learning Assistance Center and Disability Services Office (336-758-5929 or lac.wfu.edu). You are encouraged to request an accommodation within the first two weeks of the course or as early in the semester as possible, as retroactive accommodations will not be provided. Information about your disability will be shared only on a need-to-know basis. If the need for an accommodation arises during the semester, please contact the Learning Assistance Center and Disability Services Office.

Emergency Continuation Plan

We will disseminate information by email regarding continuation of the course in the event of an emergency. If communication through email is not possible, you should continue with course readings and wait for instruction by mail or other means. In the event of a zombie apocalypse, your success in the course will depend on your ability to convince attackers that you can help them by creating value in society.

Feedback

Please share feedback about the course and your experiences with me frequently and assertively. I believe that if you and I invest our energy and best talents in this course, you should have an exceptional experience, and I want to know if and when the course is not meeting that expectation. If you wait for the end-of-course evaluation form, then I will certainly use that feedback for the benefit of others, but if you are willing to share your perspective with me earlier, I appreciate the opportunity to try to improve your own experience as well.



Course Plan*

Society and Justice

- 8.31.16 | Introduction and “The Great Enrichment” | no reading
- 9.2.16 | Discussion | Sachs, “Market Reformer” (on Sakai)
- 9.2.16 | Property, Value, and Government | John Locke, *Second Treatise of Government* | Otteson, ed., *What Adam Smith Knew* (“WASK”), 9–20
- 9.5.16 | Equality and Community | G.A. Cohen, *Why Not Socialism* (Chapters 1–2) | WASK, 109–121
- 9.7.16 | Justice and Beneficence | Adam Smith, *The Theory of Moral Sentiments* (Part 2, §2) | WASK, 21–27 | [Group 1 discussion questions due](#)
- 9.12.17 | Positive and Negative Justice | review WASK, 21–17
- 9.14.17 | Obligations in Society | Peter Singer, *The Life You Can Save*, 3–22 | Sakai | [Group 2 discussion questions due](#)

The Operation of Markets

- 9.19.17 | Division of Labor | Adam Smith, *The Wealth of Nations* (Book I, Chs 1–2; Book IV, Chs 2, 9) | WASK, 70–87
- 9.21.17 | Trade and Universal Opulence | review WASK, 70–87 | [Group 1 discussion questions due](#)
- 9.26.17 | Opportunity Cost and the Broken Window Fallacy | Frédéric Bastiat, “What is Seen and What is Unseen” | Sakai
- 9.28.17 | Knowledge and Prices | Friedrich Hayek, “The Use of Knowledge in Society” | WASK, 151–163 | [Group 2 discussion questions due](#)
- 10.3.17 | Creating Value in Trade: *The Trading Game* | Paul Krugman, “What Do Undergrads Need to Know About Trade?” | Sakai
- 10.5.17 | Data and the Great Mind Fallacy | review WASK, 151–163

Challenges and Responses

- 10.10.17 | The Marxist Challenge | Karl Marx and Friedrich Engels, *Manifesto of the Communist Party* (§§ I–II) | WASK, 88–108

Midterm Exam

- 10.17.17 | Essay Questions (in class)
- 10.19.17 | Multiple Choice Questions (in class)

Challenges and Responses (con’t)

- 10.24.17 | Creative Destruction | Schumpeter, *Capitalism, Socialism, and Democracy* (Part 2, Ch 7) | WASK, 145–150
- 10.26.17 | Capitalism and Socialism | Otteson, *The End of Socialism* (“EOS”) (Introduction) | EOS, 1–18
- 10.31.17 | Knowledge and Planning | Otteson, *The End of Socialism* (Part 1, Ch 2) | EOS, 23–43
- 11.2.17 | The Day Two Problem | Otteson, *The End of Socialism* (Part 1, Ch 5) | EOS, 79–88 | [Group 1 discussion questions due](#)

Concerns About Markets

- 11.7.17 | Games and Natural Resources | Garrett Hardin, “The Tragedy of the Commons” | WASK, 164–180
- 11.9.17 | Market Failure and Corruption | Michael Sandel, *What Money Can’t Buy* (“WMCB”) (Intro and Ch 1) | WMCB, 3–41 | [Group 2 discussion questions due](#)
- 11.14.17 | The Limits of Markets | Sandel, *What Money Can’t Buy* (Chs 2–3) | WMCB, 43–130
- 11.16.17 | no class session

Contemporary Implications

- 11.21.17 | Corporate Social Responsibility | Milton Friedman, “The Social Responsibility of Business” | Sakai
- 11.28.17 | Choice Architecture | Thaler & Sunstein, *Nudge* (Introduction) | WASK, 181–193
- 11.30.17 | The Profession of Business | selections from Callahan, ed., *Ethical Issues in Professional Life* (Sakai)
- 12.5.17 | Why Business? | No additional reading

Final Exam

- 12.7.17 | Essay Questions (in class)
- 12.11.17–12.16.17 | Multiple Choice Questions (see the College exam schedule)

* This syllabus was created for reference in the Aspen *Ideas Worth Teaching* program. It reflects a version of the course taught in Fall 2017 semester but with the instructor names from Fall 2016 at the beginning. There were small changes to the course over that time period, and we wanted to present the most effective and evolved version of the class.