**Course Objective:** This course aims to provide students with an understanding of the definition and theory of capitalism and how ethics and moral philosophy pertain to this system of resource allocation. The course also addresses morality and markets and how ethical decision making is influenced by markets. Common criticisms of market-based economies are considered in the context of ethics and morality.

**Text and readings:** There is no dedicated textbook for this course. Course readings will be assigned in advance and posted at the course’s Moodle page.

**Course Web Page:** Course materials projects will be posted on moodle at moodle2.uncc.edu.

**Grading:** Grading will proceed in the following manner:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Total Value</th>
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<tbody>
<tr>
<td>Class participation</td>
<td>50 points</td>
</tr>
<tr>
<td>5 in-class quizzes</td>
<td>50 points</td>
</tr>
<tr>
<td>4 Out-of-class assignments</td>
<td>100 points</td>
</tr>
<tr>
<td>1 Midterm Exam</td>
<td>100 points</td>
</tr>
<tr>
<td>1 Final Exam</td>
<td><strong>100 points</strong></td>
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<tr>
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<td><strong>400 points</strong></td>
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</tbody>
</table>

Letter grades will be awarded as follows (after standard rounding):

A 400-360   B 359-320   C 319-280   D 279-240   F 239-0

Test scores are NOT rounded up. Rounding of final course scores follows standard practice: only .5 or above will be rounded up to the next whole number.

**Extra Credit:** Individual extra credit projects are not offered in this class.

**Attendance:** There is no attendance policy in this class. You are free to attend or not attend class, this is your decision. However, attendance is a major factor in how well you will perform in the class. No points are artificially added or subtracted based on attendance. I appreciate your arriving on time and not leaving class early. If you miss class, you should NOT ask me for the material you missed; it is your responsibility to get this information from one of your classmates.
Academic Honesty: Please note that academic misconduct (cheating) will NOT be tolerated. In addition, students have the responsibility to know and observe the requirements of The UNC Charlotte Code of Student Academic Integrity. This code forbids cheating, fabrication or falsification of information, multiple submissions of academic work, plagiarism, abuse of academic materials, and complicity in academic dishonesty. Academic evaluations in this course include a judgment that the students work is free from academic dishonesty of any type; and grades in this course therefore should be and will be adversely affected by academic dishonesty. Students who violate the code can be expelled from UNC Charlotte. The normal penalty for a first offense is zero credit on the work involving dishonesty and further substantial reduction of the course grade. In almost all cases, the course grade is reduced to F. Copies of the code can be obtained from the Dean of Students Office. Standards of academic integrity will be enforced in this course. Students are expected to report cases of academic dishonesty to the course instructor.

If in doubt when contemplating an action, ask me first!!

Make-up Projects: Make-up exams are generally not offered. Make-up exams will be offered if you miss an exam while officially representing the University at an off-campus event. If you miss an in-class exam, without prior consultation with the teacher of record, you will be given a zero (0) for that exam, and the weight of the missed exam may be placed on the final exam. Out-of-class assignments turned in late can only earn 60% of the original point value. The weight of any missed in-class assignments will be shifted to the final exam.

Cell Phones: All beepers, pagers, and cell phones must either be turned off prior to class starting or placed in silent mode. The proliferation of cell phones and other communication devices has only increased the negative externalities imposed on others when they activate during class.

Laptops: The use of tablets, laptops, and desktop computers in this class is restricted to uses that are not distracting to the professor or other students.

Statement on Diversity: The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

Important dates:

- First Day of Class: August 20
- No Class: October 8 (Fall break), November 28 (Thanksgiving)
- Classes End: December 4
- Last Class: Tuesday, December 3
- Midterm Exam: Wed, March 13
- Final Exam: Thursday, December 12 (8-10:30AM)

Hints for a Successful Semester

First read this essay by Art Carden (http://tinyurl.com/86p9qqx). Second, notice that there is a lot of reading in this class. If you say “I don’t like math or I am no good with graphs,” you can’t use that excuse in this course. We will read and think about what some of the great writers of the liberal tradition had to say about personal interactions, how society should be structured, and the moral dimensions of the market-based “capitalist” economy. As you can see below, we will be covering a lot of ground. I strongly encourage you to read the material before class and to be prepared to discuss in class. I do not recommend “superficial” reading where you skim the document and set it aside. Rather, I recommend reading with pencil in hand, that you underline phrases or paragraphs that seem important to you, and that you place what the writers say in the context of your own life and situation. Marginalia are very helpful, especially for in-class discussions. If you read something that doesn’t make sense or that you don’t understand, highlight that section and be prepared to ask me and your fellow
students about the issue. The exams are multiple-choice. Out-of-class assignments will require longer (and more thoughtful) answers; taking these assignments seriously will help you when it comes to the exams.

Course Outline (Subject to Change)

1. Introductory comments

2. Value Theories - handouts

3. Practical and Ideal Definitions of Capitalism
   a. William Ebenstein – Democratic Capitalism
   b. Ayn Rand – “What is Capitalism?”

4. Ethics and Morality in the Marketplace
   a. Jagdish Bhagwati – “Morality in Markets”
   b. J.R. Clark and Dwight Lee – “Markets and Morality”
   c. Dwight Lee – “Why Businessmen are More Honest”
   d. John Locke – “Venditio”
   e. Milton Friedman – “Social Responsibility of Firms”
   f. Michael Munger – “Euvoluntary or Not – Exchange is Just”

5. Emergent Order And Ethical Behavior
   a. Friedric Hayek – “The Use of Knowledge in Society”
   b. Donald Boudreaux – “Inconceivable Complexity”
   c. Leonard Read – “I, Pencil”
   e. Ayn Rand – “The Twentieth Century Motor Company”

6. Moral Philosophy of Adam Smith
   a. Adam Smith - Theory of Moral Sentiments (selected extracts)

7. Capitalism vs. Crony Capitalism
   a. Frederic Bastiat - The Law (selected extracts)
   b. Frederic Bastiat - Petition of the Candlestick Makers
   c. Frederic Bastiat - The Seen and the Unseen
   d. Frederic Bastiat - The Broken Window

8. Ethical Concerns in (Global) Capitalism
   a. DesJardins: Ethics in International Business
   c. Benjamin Powell and David Skarbek – “Sweatshops and Third World Living Standard”
   d. Thomas DiLorenzo – “How Sweatshops Help the Poor”

9. Ethical Critiques of Capitalism (time permitting)
   b. Friedrich Engels and Karl Marx – The Communist Manifesto (Chapter 2)
   c. William Deresiewicz – “Capitalists and other Psychopaths”
   d. Luigi Zingales – “Do Business Schools Incubate Criminals”
   e. Piff, et al. – “Higher Social Class Predicts Increased Unethical Behavior