Course Syllabus
Business Ethics: The Ethics and Economics of Wealth Creation
PHIL 332, Fall, 2013

Instructor: Dr. Matt Zwolinski
Office Hours: 10:45 - 1:15 (Tues/Thurs)
Office: F167A
Course Website: http://ole.sandiego.edu [Blackboard]
Phone: 619-260-4094
Email: mzwolinski@sandiego.edu

Required Books:
David Schmidtz, Creating Wealth: Ethical and Economic Perspectives, 2nd edition (Cognella)

Core Requirements: This course fulfills the Core Curriculum requirement for Ethics.

Content:
One of the main tasks of business is the creation of wealth. But what exactly is wealth? How, and from what, is it created? And what moral obligations do those of us who have it have to those who don’t?

This course will explore various ethical and economic issues involved in the creation of wealth. Our readings will be drawn from classical economists such as Adam Smith, Frederic Bastiat, and Karl Marx, and from contemporary philosophers such as David Schmidtz, Peter Singer, and Debra Satz. These readings will explore issues involving the origin and justification of private property, the role of prices and opportunity cost in market exchange, the economic and ethical causes of the financial crisis, the problem of global poverty, and the ethics of exploitation and sweatshop labor.

Course Requirements:
Philosophical readings are dense and difficult. It will probably take longer than you expect to read them once, and it will probably be necessary to re-read most pieces at least once to come to an adequate understanding of the material. You should expect to spend at least six hours per week outside of class time reading and re-reading the material.

• Quizzes – I will give 5-10 unannounced, multiple-choice quizzes over the course of the semester. The purpose of these quizzes is to test your completion and comprehension of the day’s reading assignment, and to encourage attendance at class. Three things to note about them:
  • First, quizzes are given at the very beginning of class. You will not be allowed extra time to take them if you are late, and you will not be allowed to make them up if you miss them. So it is to your advantage to show up and be seated on time every day.
  • Second, you will receive a zero for any quiz that you miss, for any reason. However, at the end of the semester, I will drop your two lowest quiz scores. So missing a quiz will not destroy your grade. But you will have a better chance of excelling in the course if you show up regularly.
  • Finally, these quizzes are very difficult, so it is vital that you read the material carefully and in advance of class. Read the material actively, with pen (or computer) in hand to take notes. And feel free – encouraged, even – to come to office hours any time to discuss any difficulties you might be having with the readings or the quizzes.

• Exams: You will have three in-class exams – two during the regular semester and one final exam. Each exam will consist of multiple-choice questions (drawn from your earlier quizzes), short-answer questions, and possibly a longer essay. The final exam will be cumulative, but will emphasize material
covered in the last third of the course. **All exams must be taken at the date and time at which they are scheduled on this syllabus.** No exceptions will be made except for cases of documented medical emergencies. Please look at the dates now and check for conflicts.

- **Participation** – Philosophy is best learned through active conversation with others. It is therefore important that you be a regular participant in classroom discussions. Ideally, you will be sufficiently engaged with the material to contribute to these discussions spontaneously and voluntarily. As an additional stimulus, however, I will call randomly on students to answer questions in class. If you cannot answer a question satisfactorily (due to lack of preparation or absence), your class participation grade will be affected. Students may ask at any time to be informed of their current class participation grade.

**Your Grade**
Each activity in this class is worth a certain number of points. Your grade will be determined based on a straight (un-curved) analysis of percentage of points earned vs. total points.

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<thead>
<tr>
<th>Activity</th>
<th>Points</th>
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<tbody>
<tr>
<td>Quizzes 5-10</td>
<td>25-50</td>
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<tr>
<td>Exam 1 &amp; 2</td>
<td>60</td>
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<tr>
<td>Final Exam</td>
<td>50</td>
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<tr>
<td>Participation</td>
<td>10</td>
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<tr>
<td><strong>Total Points</strong></td>
<td><strong>145-170</strong></td>
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<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A+</td>
<td>97 - 100%</td>
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<tr>
<td>A</td>
<td>93 - 96.9</td>
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<td>A-</td>
<td>90 - 92.9</td>
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<td>B+</td>
<td>87 - 89.9</td>
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<td>80 - 82.9</td>
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<td>70 - 72.9</td>
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<td>D+</td>
<td>67 - 67.9</td>
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<td>D</td>
<td>63 - 66.9</td>
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**Learning Outcomes**
By the end of this course…

- Students should be able to describe, in essay form, the main tenets of major ethical theories such as utilitarianism and deontology.
- Students should be able to apply these ethical theories to various questions involving property and commerce.
- Finally, students should be able to critically evaluate these theories in in-class essays.

**Academic Integrity**
You are expected to know and follow University Policies on cheating and plagiarism. See the Code of Academic Integrity. Outside research is a **good thing** in philosophy. Just cite it! If it is determined that you have cheated, you will fail the course and I may recommend that you be expelled from the University.
Schedule for PHIL 332: Business Ethics  
Fall, 2013  
Professor Zwolinski

**KEY DATES AT A GLANCE**

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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Sept 26</td>
<td>Instructor Away: no class</td>
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<tr>
<td>Oct 8</td>
<td>First Exam</td>
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<tr>
<td>Oct 10</td>
<td>Instructor Away: no class</td>
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<tr>
<td>Nov 19</td>
<td>Second Exam</td>
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<td>Nov 28</td>
<td>Thanksgiving Break: no class</td>
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<tr>
<td>Dec 17</td>
<td>Final Exam at 8:00 AM</td>
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**Schedule of Readings**

**Week 1 (Sept 5) – Introduction to Philosophical Ethics**

**Week 2 (Sep 10-12) – Ethics, continued / The Tragedy of the Commons**
- Required Reading – David Schmidtz, “The Language of Ethics”
- Garrett Hardin, “Tragedy of the Commons”

**Week 3 (Sept 17-19) – Good Fences and Good Neighbors**
- Required Reading: John Locke, “Two Treatises of Government”
- David Schmidtz, “The Institution of Property”

**Week 4 (Sept 24) – The Division of Labor**
- Required Reading: Adam Smith, “Wealth of Nations: Book I”

**Week 5 (Oct 1-3) – Trade and Cooperation**
- Required Reading: Friedrich Hayek, “The Use of Knowledge in Society”

**Week 6 (Oct 8) – Exam #1**
- First Exam: October 8th

**Week 7 (Oct 15-17) – The Financial Crisis and Personal Responsibility**
- Required Reading: Hernando de Soto, “The Five Mysteries of Capital”
- Loren Lomasky, “Liberty After Lehman Brothers”
- Jeffrey Friedman, “The Perfect Storm”

**Week 8 (Oct 22-24) – The Ethics and Economics and Regulation**
- Required Reading: Adam Smith, “The Man of System,” and “Price Fixing”
- James Buchanan, “Politics Without Romance”
- Burton Folsom, “J.J. Hill”
- Frederic Bastiat, “A Negative Railroad”

**Week 9 (Oct 29-31) – Regulation Continued / Poverty**
- Required Reading:
  Guido Pincione and Fernando Teson, “Rational Ignorance and Political Morality”
  Peter Singer, “Famine, Affluence, and Morality”
Week 10 (Nov 5-7) – Poverty and Guarantees
   Required Reading: Robert Goodin, “The Classic Case for Collectivization Restated”
   David Schmidtz, “Guarantees”

Week 11 (Nov 12-14) – Freedom and Equality
   Required Reading: Steven Wall, “Freedom as a Political Ideal”
   David Schmidtz, “Equal Respect and Equal Shares”

Week 12 (Nov 19-21) – Second Exam / Exploitation
   Required Reading: Karl Marx, “Wage Labor and Capital”
   **Second Exam: November 19th**

Week 13 (Nov 26) – Exploitation, Continued
   Required Reading:
   Matt Zwolinski, “Sweatshops, Choice, and Exploitation”

Week 14 (Dec 3-5) – Fair Trade
   Required Reading:
   Michael Munger, “Euvoluntary Exchange and the Creation of Wealth”
   Matt Zwolinski, “The Ethics of Price Gouging”

Week 15 (Dec 10-12) Self-Respect and Alienation
   Required Reading: Adam Smith, “Wealth of Nations: Book 5, Chapter 1, Article II”
   Karl Marx, “Alienation,” “Critique of the Gotha Programme”

December 17th, 8:00 AM – Final Exam