

Economics of Entrepreneurship (ECON/ENT 473/673) SPRING 2020

Course Information

Class Meets:

Tuesdays and Thursdays from 10:30-11:45am in DMSC 103. The final exam will be on Tuesday, May 12th, 2020, from 9:50-11:50am. No early or late exams will be given unless required by university policy.

Instructor Information:

Instructor: Dr. Frank M. Fossen

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Phone: 775-682-9131

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Website

Office Hours: Tuesdays and Thursdays from 1:45-2:45pm.

Course Description:

While other entrepreneurship courses focus on how to be an entrepreneur, this course will place entrepreneurs in the context of the broader economic system. Entrepreneurial processes do not occur in a vacuum. A variety of skills are critical to business formation, but many other economic factors also influence entrepreneurial choices. In turn, entrepreneurs have a significant effect on the economy. We will cover how economic conditions and incentives affect entrepreneurship, and how the actions of entrepreneurs affect the economy. We will also discuss why entrepreneurship is the focus of policy initiatives and examine the impact of public policies such as subsidies, taxation and market regulation on entrepreneurship.

Course Pre/Co-requisites:

Prerequisite(s): ECON 102 (Principles of Microeconomics) or HON 220.

Required texts, course materials:

Simon C. Parker (2018), "The Economics of Entrepreneurship," 2nd edition, Cambridge University Press.

Other course materials and announcements will be provided on WebCampus.

Student Learning Outcomes:

Upon completion of this course:

1. Students will be able to apply economic framework to entrepreneurial decisions using concepts such as profit and utility maximization, constraints, opportunity cost, and risk preferences.
2. Students will be able to understand the traits and roles of entrepreneurs.

3. Students will be able to analyze markets for entrepreneurial financing.
4. Students will be able to discuss why entrepreneurship is the focus of policy initiatives.
5. Students will be able to analyze market failures that affect entrepreneurs and to evaluate the potential for public policy to correct these failures.
6. Students will be able to create a presentation of entrepreneurship policy in written and oral form.
7. Graduate students will be able to conduct own empirical analyses in the field of the economics of entrepreneurship.

Course Requirements:

Attendance and Classroom Atmosphere: This is an interactive course. Students are strongly encouraged to participate actively in class.

Grades: The course grade is based upon a midterm and a final exam, a group assignment with an oral and a written component, and active participation in class:

	Assessment	Due dates	Type	Weight
1	Midterm exam	Thursday, 3/5/2020	Individual	20%
2	Oral presentation	Tuesday, 4/7/2020	Group	15%
3	Written assignment	Tuesday, 4/28/2020	Group	20%
4	Final exam	Tuesday, 5/12/2020, 9:50-11:50am	Individual	35%
5	Participation		Individual	10%

Exams: The exams follow formal examination procedures. The midterm exam is one hour in duration and all materials covered before the midterm exam is assessable. The final exam is two hours and all materials covered during the whole semester is assessable. In both exams, there will be additional, more challenging questions for graduate students, so there will also be less time per question for graduate students. If you score higher in the final exam than in the midterm exam, the final exam score will replace the lower midterm exam score. However, the midterm exam score cannot replace the final exam score. Individual feedback is provided on request during office hours.

Group assignment: In the group assignment, you will fictitiously address a policy body arguing in favor of or against a specific entrepreneurship policy. The group will consist of 3-4 students. Undergraduate and graduate students will form separate groups. I will assign a policy topic to your group taking into account your preferences. The group assignment consists of an oral and a written portion (see below). Individual feedback is provided on request during office hours.

- ➔ **Oral presentation:** This is the oral portion of the group assignment. You will prepare 4-8 slides and orally present your discussion of the entrepreneurship policy assigned to you. The maximum duration of the presentation is 10 minutes. Every group member must perform a part of the presentation.
- ➔ **Written assignment:** This is the written portion of the group assignment. You will write a letter to the policy body arguing in favor of or against the entrepreneurship policy. The group will consist of the same members as in the oral presentation. You should use comments received after your presentation to improve your discussion. The length of the letter shall be no more than 1000 words for undergraduate students groups and no more than 2000 words for graduate

students groups. Graduate students are expected to provide a more comprehensive and critical argumentation and are encouraged to include an own empirical analysis.

Participation: I will use a classroom assessment system (such as clickers) for quizzes that will count for credit in most classes. You are required to bring a suitable device (e.g., smartphone) to each class. Grades may reflect both attendance and correctness of answers. I will drop the four classroom assessments with the lowest scores at the end of the semester. This policy adjusts for the fact that sometimes batteries are dead, networks are down, you cannot come to class for an important reason, etc. Therefore, I will not make any other accommodations for missing clicks.

Grading Criteria, Scale, and Standards:

I will use +/- letter grades. The list below describes the maximum overall average percentage in the class needed for each letter grade. I will not curve any individual items, but this scale may be adjusted at the end of the semester to make it more generous at my discretion.

A: 93% - 100%	C: 74% - 76.9%
A-: 90% - 92.9%	C-: 70% - 73.9%
B+: 87% - 89.9%	D+: 67% - 69.9%
B: 84% - 86.9%	D: 64% - 66.9%
B-: 80% - 83.9%	D-: 60% - 63.9%
C+: 77% - 79.9%	F: <60%

Late Work Policy: Assignments turned in after the due date will not be accepted.

Course Calendar and Topics Outline:

Weeks	Topic	Textbook readings	Assessment
1-2	Introduction & theories	Chapters 1-3	
3	Empirical research methods	Chapter 4	
4	Determinants of entrepreneurship	Chapters 5-6	
5	Ethnic & female entrepreneurship	Chapters 7-8	
6	Debt finance & venture capital	Chapters 9-11	
7	Wealth and entrepreneurship	Chapter 12	
7	Midterm exam		Assessment 1
8	Job creation, growth & innovation	Chapters 13-14 & 16	
9	<i>Spring break</i>		
10	Income & human capital	Chapter 15	
11	Survival	Chapter 17	
12	Student presentations		Assessment 2
13	Principles of entrepreneurship policy	Chapter 18	
14	Finance policies & regulation	Chapters 19-20	
15-16	Taxation and indirect policies	Chapter 21	Assessment 3
17	Final exam		Assessment 4

Differentiation between Undergraduate and Graduate Students:

Graduate students will achieve a deeper understanding of the material presented to the combined group through additional course work. The textbook mentioned above is very comprehensive and includes a significant amount of advanced coverage of empirical and theoretical approaches that will not be presented to the undergraduate students, but should be worked through by the graduate students. The graduate students will also be expected to read original research papers published in economic journals.

Graduate and undergraduate students will form separate groups in group assignments. Solutions to assignments turned in by graduate students are expected to be more comprehensive, more detailed and to go deeper and more formally into the theoretical and empirical issues. Graduate students are supposed to critically evaluate strengths and limitations of different approaches. Graduate students are encouraged to include an own empirical analysis in their group assignment. Graduate students are expected to write up to 2000 words in the written assignment, whereas undergraduate students are expected to write up to 1000 words. In the exams, there will be additional, more challenging questions for graduate students, so there will also be less time per question for graduate students.

All students are encouraged to come to my office hours (regular hours or by appointment). For graduate students, meeting me in my office serves two additional important purposes. First, we will discuss more advanced empirical and theoretical topics that the graduate students read about in the textbook and in the journal articles and that are too involved to discuss in class with all students. Second, I will provide the opportunity to discuss an own empirical research project in the context of the group assignment.

Graduate students will be able to use empirical and theoretical methods they learned in other graduate courses in a synthesized approach to the economics of entrepreneurship.

They will have opportunities to work at a higher academic level by reading and discussing journal articles and working on the group project, which is encouraged to involve an own empirical analysis.

Graduate students will be evaluated differently from undergraduates. I will expect a deeper and more formal understanding and discussion of theoretical and empirical issues and more critical discussion of the strengths and weaknesses of different approaches.

Graduate students will leave the course feeling that they have obtained greater academic value because they will gain a deeper understanding of theoretical and empirical methods and results. This course will enable graduate students to conduct own research in the emerging field of the economics of entrepreneurship.

University Policies

Statement on Academic Dishonesty:

“Cheating, plagiarism or otherwise obtaining grades under false pretenses constitute academic dishonesty according to the code of this university. Academic dishonesty will not be tolerated and penalties can include filing a final grade of "F"; reducing the student's final course grade one or two full grade points; awarding a failing mark on the coursework in question; or requiring the student to retake or resubmit the coursework. For more details, see the [University of Nevada, Reno General Catalog](#).”

Statement of Disability Services:

“Any student with a disability needing academic adjustments or accommodations is requested to speak with me or the [Disability Resource Center](#) (Pennington Achievement Center Suite 230) as soon as possible to arrange for appropriate accommodations.”

This course may leverage 3rd party web/multimedia content, if you experience any issues accessing this content, please notify your instructor.

Statement on Audio and Video Recording:

“Surreptitious or covert video-taping of class or unauthorized audio recording of class is prohibited by law and by Board of Regents policy. This class may be videotaped or audio recorded only with the written permission of the instructor. In order to accommodate students with disabilities, some students may have been given permission to record class lectures and discussions. Therefore, students should understand that their comments during class may be recorded.”

Statement on Diversity:

“The University of Nevada, Reno is committed to providing a safe learning and work environment for all. If you believe you have experienced discrimination, sexual harassment, sexual assault, domestic/dating violence, or stalking, whether on or off campus, or need information related to immigration concerns, please contact the University's Equal Opportunity & Title IX office at 775-784-1547. Resources and interim measures are available to assist you. For more information, please visit the [Equal Opportunity and Title IX](#) page.”

Statement for Academic Success Services:

“Your student fees cover usage of the [Math Center](#) (775) 784-4433, [Tutoring Center](#) (775) 784-6801, and [University Writing Center](#) (775) 784-6030. These centers support your classroom learning; it is your responsibility to take advantage of their services. Keep in mind that seeking help outside of class is the sign of a responsible and successful student.”