

**NEW COURSE PROPOSAL**

PROGRAM AREA BUSINESS & ECONOMICS

**1. Catalog Description of the Course.** *[Include the course prefix, number, full title, and units. Provide a course narrative including prerequisites and corequisites. If any of the following apply, include in the description: Repeatability (May be repeated to a maximum of \_\_\_ units); time distribution (Lecture \_\_\_ hours, laboratory \_\_\_ hours); non-traditional grading system (Graded CR/NC, ABC/NC). Follow accepted catalog format.]*

ECON 411. ECONOMICS OF ENTREPRENEURSHIP (3)

Three hours lecture per week.

Prerequisites: ECON 110 and 111

Application of economic concepts to entrepreneurial strategies and decisions. Analysis of entrepreneurial activities as related to production, markets, innovation, risk, and the macroeconomy.

**2. Mode of Instruction.**

	<b>Units</b>	<b>Hours per Unit</b>	<b>Benchmark Enrollment</b>
Lecture	<u>3</u>	<u>1</u>	<u>25</u>
Seminar	_____	_____	_____
Laboratory	_____	_____	_____
Activity	_____	_____	_____

**3. Justification and Learning Objectives for the Course.** (Indicate whether required or elective, and whether it meets University Writing, and/or Language requirements) *[Use as much space as necessary]*

Economics of Entrepreneurship is a required course in the Entrepreneurial Emphasis of the B.S. in Business. This is an intermediate level course which primarily applies microeconomic concepts to the decisions and settings faced by entrepreneurs. In addition, consideration is given to the role of entrepreneurship in the macroeconomy and the contributions of entrepreneurs to macroeconomic development.

Students who successfully complete this course will be able to:

- Apply marginalist decision making strategies to entrepreneurial activities.
- Describe the economic process of production and the role of entrepreneurship in innovation.
- Identify and predict the effects of changes in demand and/or supply conditions on entrepreneurial activity.
- Identify the role of the entrepreneur in the start-up and success of a business venture.
- Analyze the risks and incentives faced by entrepreneurs under conditions of scarce resources.
- Analyze the effects of changes in macroeconomic policies on optimal entrepreneurial decision.

**4. Is this a General Education Course** **NO**

**5. Course Content in Outline Form.** *[Be as brief as possible, but use as much space as necessary]*

*Basic Economic Concepts*

- Supply and Demand
- Market Equilibrium
- The Productive Process
- Constrained Optimization
- Short Run vs Long Run

*Entrepreneurship as a Factor of Production*

- Adding the Entrepreneur to the Production Function
- Diminishing Returns and Entrepreneurial Ability

*Entrepreneurship and Market Mechanisms*

- Responding to Price Changes
- Identifying Disequilibrium
- Entrepreneurial Ability and the Supply Curve
- Entrepreneurship and Profits*
  - The Role of Profit: Risk and Innovation
  - Constrained Optimization and Goal Assessment
  - The Bottom Line: Incentives and Accountability
- Entrepreneurship and Innovation*
  - Beyond Invention: Process, Procedure and Motivation
  - Sources and Levels of Innovation
- Entrepreneurship and the Macroeconomy*
  - Entrepreneurial Activity and Job Creation
  - Changing Policies, Changing Incentives
- Entrepreneurship and Economic Growth*
  - Sustained Growth through Entrepreneurship
  - International Focus: Entrepreneurs as Agents of Change

**6. References.** [Provide 3 - 5 references on which this course is based and/or support it.]

Drucker, Peter (1993). *Innovation and Entrepreneurship*. Harper.  
 Foss, Nicolai and Mahnke Volkerbridge, eds. (2000). *Competence, Governance and Entrepreneurship: Advances in Economic Strategy Research*. Oxford University Press.  
 Harper, David (2003). *Foundations of Entrepreneurship and Economic Development*. Routledge.  
 Holtz-Eakin, Douglas and Harvey Rosen, eds. (2004). *Public Policy and the Economics of Entrepreneurship*. MIT Press.

**7. List Faculty Qualified to Teach This Course.**

Prof. Dennis Muraoka  
 Prof. Paul Rivera  
 Prof. Ashish Vaidya

**8. Frequency.**

a. Projected semesters to be offered: Fall  Spring  Summer \_\_\_\_\_

**9. New Resources Required.**

None

**10. Consultation.**

Attach consultation sheet from all program areas, Library, and others (if necessary)

**11. If this new course will alter any degree, credential, certificate, or minor in your program, attach a program modification.**

Paul A. Rivera, PhD	December 9, 2003
Proposer of Course	Date