FLORIDA ATLANTIC UNIVERSITY

COURSE CHANGE REQUEST
Undergraduate Programs

Department Honors College

College Honors College

UUPC Approval 4-27-26
UFS Approval _____
SCNS Submittal _____
Confirmed _____
Banner Posted _____
Catalog _____

***Current* Course Prefix and Number** ECO 4053

***Current* Course Title** Hons Market Process Economics: Analysis of Time & Ignorance

*Syllabus must be attached for **ANY** changes to current course details. See Template. Please consult and list departments that may be affected by the changes; attach documentation.*

Change title to:
Honors Philosophy and Theory of Markets

Change prefix
From: **To:**

Change course number
From: **To:**

Change credits*
From: **To:**

Change grading
From: **To:**

Change WAC/Gordon Rule status**
Add ☐ **Remove** ☐

Change General Education Requirements***
Add ☐ **Remove** ☐

*See Definition of a Credit Hour.
**WAC/Gordon Rule criteria must be indicated in syllabus and approval attached to this form. See WAC Guidelines.
***GE criteria must be indicated in syllabus and approval attached to this form. See Intellectual Foundations Guidelines.

Change description to:

This class focuses on historical, philosophical, and methodological issues of markets; it falls under the emerging subfield of "Philosophy, Politics, and Economics" (PPE). We investigate many subtleties of markets that typically go unnoticed in standard equilibrium analysis. We review market-process theory before turning to a detailed exploration of the Marxist-inspired attempt to eliminate markets in the USSR. We study the Calculation Debate—which pitted capitalism against socialism in the interwar period—and then the critical role played by entrepreneurship in markets.

Change prerequisites/minimum grades to:

(no change)

Change corequisites to:

Change registration controls to:

Please list existing and new pre/corequisites, specify AND or OR and include minimum passing grade (default is D-).

Effective Term/Year for Changes: Fall 2026

Terminate course? Effective Term/Year for Termination:

Faculty Contact/Email/Phone Keith Jakee / kjakee@fau.edu

Approved by		*Date*
Department Chair	M. A. Sz	4/24/26
College Curriculum Chair	Terje Hill	4-24-2026
College Dean	Julie Ellis	4/24/26
UUPC Chair	Korey Sorge	4-27-26
Undergraduate Studies Dean	Dan Meeroff	4-27-26
UFS President		
Provost		

Email this form and syllabus to mjenning@fau.edu seven business days before the UUPC meeting.

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A note from the instructor: "*The reason for the change is that the existing title, while descriptive of the material, is a little too "obscure" to be readily understood. In fact, it takes nearly the whole semester to work through that title. The new title better captures the essence of the course, which among other objectives, is intended to fall in the emerging subfield of "Philosophy, Politics, and Economics", or PPE. I think the new description also does a better job of describing the course succinctly."*

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ECO 4053 SYLLABUS

HONORS PHILOSOPHY AND THEORY OF MARKETS

Wilkes Honors College

INSTRUCTOR
Keith Jakee, 112 Hibel, kjakee@fau.edu

MEETING TIMES & PLACE
TUES/THURS
12:30-1:50PM

AD204

OFFICE HOURS
TUES/THURS:
11–12 & 2–3:00
and by appointment

PRE-REQUISITES
ECO 2023 H Microeconomic Princ

3 CREDITS

CATALOG COURSE DESCRIPTION

This class focuses on historical, philosophical, and methodological issues of markets; it falls under the emerging subfield of "Philosophy, Politics, and Economics" (PPE). We investigate many subtleties of markets that typically go unnoticed in standard equilibrium analysis. We review market-process theory before turning to a detailed exploration of the Marxist-inspired attempt to eliminate markets in the USSR. We study the Calculation-debate, which pitted capitalism against socialism in the interwar period, and then the critical role played by entrepreneurship in markets.

EXTENDED COURSE DESCRIPTION

This is a course on the foundations of "market process" economics, a subdiscipline in economics that focuses on historical, philosophical, and methodological issues; it falls under the emerging subfield of "Philosophy, Politics, and Economics" (PPE). The *process* approach we take is a significant departure from the typical equilibrium approach taken in most of the other economics classes you've had. This methodology illuminates many subtleties of markets that typically go unnoticed. We begin the semester by reviewing the early market-process theorists before turning to a detailed analysis of the Marxist-inspired attempt to eliminate markets in the early days of the Soviet Union. We then study one of the most important economic-philosophical debates in the 20th century, the Calculation Debate, which was an intellectual struggle over the performance of market capitalism versus non-market socialism. We then examine how the assumption of "radical subjectivism" furthers our understanding of markets and social interactions. Our final topic considers the critical role played by entrepreneurship in markets. Besides giving students a

strong taste for the interplay of philosophical issues with economic ones, the course is designed to help students generate ideas for a variety of research problems, including potential topics for theses. As the course is seminar based, students will have ample opportunity to improve their written and oral communication skills.

This approach:

- has its origins in Adam Smith and Carl Menger (a 19th century Austrian economist who originated the notion of "subjective theory of value" or "marginal utility");
- proceeds from a thoroughgoing principle of "methodological individualism" (that individuals must be the basic unit of social scientific analysis because it is only individuals who think and act);
- develops in a peculiar direction as a result of engaging directly with the theory and experience of Marxism and Central Planning in the Soviet Union (à la Mises' and Hayek's intellectual efforts in the famous "Calculation Debate");
- places significant weight on the idea that all costs are subjective (à la James Buchanan);
- emphasizes the importance and role of human ingenuity and creativity in highlighting entrepreneurship (à la Schumpeter, Buchanan and others);
- stresses the fact that most economic decisions involve the passing of time and hence must be modeled as processes through time;
- necessarily draws attention to the role that true uncertainty (as opposed to risk), or "ignorance," plays in human decision making and socio-economic processes;
- highlights how markets arise as an organic solution to many of the issues raised.

LEARNING OUTCOMES: Upon completion of this course, you will:

1. understand the foundations of the philosophy and theory of markets
2. recognize how the market process approach differs from the neoclassical mainstream one
3. be able to build on these ideas to generate a market process approach to your own research problems
4. improve your written and oral communication skills.

NOTE OF HONORS DISTINCTION: This course is being taught as an Honors course. By drawing on more challenging material than is typical in regular courses—including primary texts rather than secondary summaries of this material—it incorporates critical thinking exercises, writing assignments, specialized theories and methods, intensive reading discussions, and the development of communication skills through a seminar setting and student-led discussion. The instructor not only expects students to perform at a high level but also evaluates and assesses them on a proportionally higher scale; that is, expectations for students in this course are high and the students are graded and evaluated accordingly. For the extra effort required, students can expect not only to be challenged but also rewarded and enriched. Their Honors-level work will also be noted on their transcripts.

REQUIRED MATERIALS: The reading for this course comes from excerpts from books and journal articles. The list of readings is not intended to be an exhaustive list of all of the relevant readings for any given topic, but rather is intended to provide some of the core readings in each area on the syllabus.

You need to do all of the required readings and come to class prepared to discuss them. More so than other areas of economics, market process economics traverses economic, sociological, philosophical and political dimensions. This makes market process economics very exciting on the one hand, but demands that issues be covered in a more nuanced fashion, in some instances, on the other.

REQUIRED BOOKS

- O'Driscoll, Gerald and Mario Rizzo. 2015. *Austrian Economics Re-examined: The Economics of Time and Ignorance*. New York: Routledge.

- There will also be additional articles and chapters assigned throughout the semester.

GRADES

Cutoff	Cutoff	Cutoff	Cutoff	Cutoff
A 93%	B+ 87%	C+ 77%	D+ 67%	F <60%
A- 90%	B 83%	C 73%	D 63%	
	B- 80%	C- 70%	D- 60%	

ASSESSMENT

Discussion Leadership – 20%

Participation – 50%

Writing (approximately four very short "write ups") – 30%

Format and Rules for Structured Discussions
Discussions will begin after any administrative tasks at the start of class. Please be on time and be prepared to participate throughout. Please help arrange chairs in a circle, if not already done.

Discussion Leadership

Each student will lead discussion for each of the topics throughout the semester. Grading will be based on preparation and insights into the material.

Participation Grading

Each discussion day, students will earn 0 to 10 points, depending on their level of preparation, participation and engagement.

Brief "Response" Papers

These are specific questions concerned with particular articles, chapters of the book or ideas we're covering. They're intended to encourage students to synthesize the material at hand and

analyze it in light of other work that we've done in the semester (or of insights from other classes). They should be referenced properly and respect all the normal rules of good writing, grammar and formatting. Your title page and reference page does not count in the two-page restriction.

I reserve the right to start the class with short quizzes if I feel students are not coming to class sufficiently prepared. I may also come around and "check" that you've brought the day's works to class and that you've written notes, in advance, for the class (which can also count for a quiz grade). The average grade for quizzes and/or "note checks" will count as a single paper grade (i.e., they'll be averaged with the paper grade).

ATTENDANCE

Attendance is absolutely mandatory in this class. Given the heavy participation expectation, unexcused absences receive "0" participation points for the day. Everyone can have one "0" dropped from their semester grade.

See "Special Circumstances and Late Policy" for excused absences, etc.

COURSE WEBSITE AND <u>YOUR RESPONSIBILITY TO CONSULT IT OFTEN</u>

You are responsible for checking the course website, including the course schedule, frequently and for keeping up-to-date on what reading and other work (including assignments) are required for a particular class meeting. All reading and other work assigned for a given date must be completed prior to the class meeting on that date.

You might be alerted in class and/or through the FAU course website of any class announcements. Any changes to the schedule, etc. on the website supersede the paper copy received in the beginning of the semester. You will be notified on the website and in class of any changes.

SPECIAL CIRCUMSTANCES AND LATE POLICY

If there are special health or other personal crises affecting your attendance or performance during the semester, you may request special arrangements with supporting documentation. I strongly urge students to see me as soon as possible under such circumstances. Unless there is a prior arrangement (with documentation), **<u>I will not accept anything late</u>**.

POLICY ON ACCOMMODATIONS

In compliance with the Americans with Disabilities Act (ADA), students who require reasonable accommodations to properly execute coursework must register with Student Accessibility Services (SAS) — in Boca Raton, SU 131 (561-297-3880); in Davie, LA 131 (954-236-1222); in Jupiter and all Northern Campuses, SR 111F (561-799-8585) – and follow all SAS procedures.

POLICY ON RECORDING, PHOTOS, AND FILMING IN THE CLASSROOM

The University's position on student recording is, if "…classroom activities conducted within a particular course constitute "class discussion," then those activities cannot be recorded by students without appropriate permission." This entire class is discussion, so recording is prohibited.

ACADEMIC INTEGRITY POLICY

Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty is considered a serious breach of these ethical standards, because it interferes with the university mission to provide a high quality education in which no student enjoys an unfair advantage over any other. Academic dishonesty is also destructive of the university community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see University Regulation 4.001. The Honors College's Honor Code is here.

ARTIFICIAL INTELLIGENCE PREAMBLE

FAU recognizes the value of generative AI in facilitating learning. However, output generated by artificial intelligence (AI), such as written words, computations, code, artwork, images, music, etc., for example, is drawn from previously published materials and is not your own original work.

FAU students are not permitted to use AI for any course work unless explicitly allowed to do so by the instructor of the class for a specific assignment. [Policy 12.16 Artificial Intelligence]

Class policies related to AI use are decided by the individual faculty. Some faculty may permit the use of AI in some assignments but not others, and some faculty may prohibit the use of AI in their course entirely. In the case that an instructor permits the use of AI for some assignments, the assignment instructions will indicate when and how the use of AI is permitted in that specific assignment. It is the student's responsibility to comply with the instructor's expectations for each assignment in each course. When AI is authorized, the student is also responsible and accountable for the content of the work. AI may generate inaccurate, false, or exaggerated information. Users should approach any generated content with skepticism and review any information generated by AI before using generated content as-is.

If you are unclear about whether or not the use of AI is permitted, ask your instructor before starting the assignment.

Failure to comply with the requirements related to the use of AI may constitute a violation of the Florida Atlantic Code of Academic Integrity , Regulation 4.001.

Proper Citation: If the use of AI is permitted for a specific assignment, then use of the AI tool must be properly documented and cited. For more information on how to properly cite the use of AI tools, visit https://fau.edu/ai/citation

AI LANGUAGE SPECIFIC TO THIS COURSE

AI Prohibited Policy: The use of AI to assist in any work assigned in this specific course is prohibited.

I obviously have no method to restrict your use of AI in studying and preparing for classes. However, overuse of AI in this manner is turning into a "crutch." Students are frequently taking shortcuts: for example, instead of doing the hard work of reading, taking notes, and "digesting" material, they're having AI do the "thinking" for them. This will profoundly shortchange your experience in this class—and it's almost certainly going to be apparent in the classroom (translating into a lower participation grade).

As output generated by AI is drawn from previously published materials, and is not your own original work, it is not allowed on the written assignments. I will use Turnitin in cases where I suspect AI usage.

TENTATIVE COURSE OUTLINE

Week 1: Introduction

Week 2: Historical Setting of the Movement

Week 3: Marx & Mises

Week 4: Economic Calculation – Paper #1 Due

Week 5: Hayek

Week 6: Hayek

Week 7: Rivalry and Central Planning/Buchanan on Cost – Paper #2 Due

Week 8: Buchanan: Cost & Choice

Week 9: Causation, Coase, Start Time & Ignorance

Week 10: Time & Ignorance

Week 11: Time, Ignorance and Entrepreneurship (Schumpeter) – Paper #3 Due

Week 12: Entrepreneurship (Kizner, Holcombe, B&V)

Week 13: Entrepreneurship (KJ and Friends)

Week 14: Entrepreneurship (KJ and Friends) – Paper #4 Due