Matthew Austin

Business Ethics

Wennemann

2017

42) Capstone Essay

From what I’ve learned capitalism is essentially an economic system that build upon the foundations and principles of private property. With almost free reigns to your business (if you own a company) have control of your production and business with freedom of exchange without the interference of the government. The factors of production are the things that are used to make goods and services, which include labor, land and capital (income).

With the principles of free market capitalism in mind, exchange can be further delved into. Exchange is basically trading of one resource for another.For example no one can force you to sell your company, no one can be forced to buy your product, and no one can be forced to work for her. This one principle sets the foundation for the ethics and moral of business explained in Business Ethics and Applied Professional Ethics. With this in mind the I believe the root of all the unethical practices that unfold in the previous text stem from the second principle, competitive markets in capitalism.

A market is a place where buyers and sellers engage in trading, such as money for a product or service. In this free market, a competitive market is made up of a large number of sellers who are selling identical products. If all the products are essentially the same the sellers have to have other features, advertise better, or lower their prices. In the manner, companies have free reign of getting customers that stay within the laws of course.

In the free-market, there is little government intervention. This means that the government doesn't set the price of all the goods. If so, there would be any free market, nor competition, thus the government would be similar to communism. The only form of control the government has is through regulators to make sure that the companies do not dabble into illegal actions to gain the upper hand in the market. Of course, throughout history companies have found legal loopholes in the regulators which creates conflict and unethical and moral practices that the books: Business Ethics and Applied Professional Ethics want to combat.