Apollo 11 takes off, July 1969

Leadership

Capitalism, Markets, and Innovation

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How did the US become a world economic leader?

SpaceX's Falcon Heavy, April 2019

GDP per capita in US dollars (2022)

United States	76,330
United Kingdom	51,075
Germany	48,718
France	40,886
China	12,720
World Average	12,688

How did the US become a world economic leader?

Finance:

- The US is about 60% of the global stock market.

- US government bonds are the world's main safe asset.

- The US dollar comprises:
  - ✓ 90% of foreign exchange transactions
  - ✓ 60% of global foreign exchange reserves
  - ✓ 60% of foreign trade invoices

Is global leadership about to change?

The Thucydides trap

- Describes the possibility of war when an emerging power threatens to displace an existing great power.

- Thucydides was an ancient Greek historian.

- The term was popularized by political scientist Graham Allison.

"It was the rise of Athens and the fear that this inspired in Sparta that made war inevitable."

Where would you settle?

Region A's land and climate are ideal for producing valuable crops.

✓ Brazil (16,357), Jamaica (10,636), Haiti (2,593).

Region B has an existing population. You think they would welcome the new technologies your expedition would bring; interaction and trade could help you get established.

✓ Mexico (24,430), Peru (13,082).

Region C's climate is similar to home's (a bit worse), but would require a lot of work to clear the land.

✓ New England colonies. US (76,330).

Mission statement

The mission of this course is to enhance your business education with historical context…

…and to provide analytic frameworks useful for understanding the development of business, finance, and entrepreneurship.

Why history?

- You know a lot about US history.
- You can learn a lot from economic and business history.

- Augment your own experience with hundreds of years of history.
  - ✓ What was done right or wrong, and how do we continue the legacy?

Why history?

History helps us prepare for the future.

"The further back you can look, the further forward you can see"
--Winston Churchill

Some questions we'll look at this semester

- How did the US become a leader in innovation?

- How have US policies towards immigration changed and why?

- How did the US become the world's largest manufacturer (a position we've since lost)?

- What was the impact of stock market bubbles?

- Why did inequality surge in the Gilded Age?

History helps us make better decisions

The stories, lessons, and critical thinking skills will enhance:

- The decisions you make in your career

- The policies you support in your community

- The choices you make in your family

- Your vision and ethics as a leader

What's different about economic history?

- Focus on the how and why rather than on dates and names. What are the forces of change?
  - ✓ Why did the United States pass antitrust policies in the late 1800s, and what was the impact on industry?

- Use of quantitative data and analytic models.
  - ✓ For example, GDP per capita as a measure of living standards; the Solow model to explain long-run economic growth.

How does this class fit the Huntsman vision?

Our students will be identified by the following:

- A strong commitment to ethical leadership

- A sense of purpose and place engendered by global vision

- An ability to create and leverage value through their understanding of entrepreneurial processes

- A mastery of applied and conceptual analytical frameworks

https://huntsman.usu.edu/about/mission-vision-purpose

My background

- Career in international economic policy, investment banking, and asset management.

- "Practice professor": teach courses in both economics and finance, consult for industry.

- This semester: teaching MGT3050 and FIN5120 (Cryptocurrencies and Fintech).

Grading

The final grade will be based on:

- Activities and assessments 30%
  - ✓ These cover readings, key concepts, in-class discussions and exercises.
  - ✓ You will earn points in almost every class (but no "pop quizzes").
  - ✓ You can work together on most assignments.
  - ✓ There is a penalty for late assignments.
- Class participation 20%
  - ✓ Earned for participating in class discussions.
- Three exams 15% each, 45% total
  - ✓ Taken in the testing center.
  - ✓ You may bring one page of notes.
- Personal essay 5%

Class participation

- You can earn 100% of the points you need from in-class Canvas quizzes and assignments.

- I will drop your 5 lowest scores (so you can miss five classes and still get 100%).

- You do not have to speak in class—although I want you to and will reward you for it.

- Major comments and questions and success in competitive class activities will earn extra credit "badges".

Personal essay (5% of your grade, 200-400 words)

In this assignment, you'll explore the intersection of your personal and family history and the historical themes, events, and issues discussed in this class.

For example:

- Discuss how an event (such as the Great Depression) affected your family.

- Discuss a historical family business, company or sector in which a family member was employed, or a key decision (such as migration).

Your essay should cover the relevant historical backdrop as well as the impact on your family.

Policy on large language models (LLMs)

You should use an LLM in the course!

Remember that the LLM is a tool. It can be wrong (and often is). Its qualitative responses can be "off".

- Important to phrase (and rephrase) the "prompt" your (question or instruction) correctly.

- Quality control: double-check the answer for accuracy and factual correctness.

- You (not the LLM) are ultimately responsible for your answers.

How to do well in this course

- Come to class and participate in discussions or activities.

- Take notes!

- Work with your fellow students to understand the material.

- Use an LLM to help you understand the reading.

Course structure & grading

Management 3050: Course Structure

Section 1. The American Venture
- How did the United States create institutions that helped create prosperity?
- What were the main economic challenges faced by the young nation, and how did they affect our future?

Section 2: Industry & Innovation

Section 3: Booms & Busts