Lecture (MA)
Economics of Entrepreneurship

Professor Dr. Guido Bünstorf

Summer Term 2014

Time and Location: Monday, 12.30-15.45 (first session: April 28, 2014); Room 0207 (NP 6)

6 Credits: MSc Economic Behavior and Governance (PO 2013: Modules 2a & 2b; PO 2012: Module 2); MA Wirtschaftswissenschaften (Profile 4); MA Wirtschaft, Psychologie und Management (Modules 7 & 8); MA Business Studies (PO 2013: Module: VWL-IIM-B1; PO 2012: Module: IIM3/ DiMark 3)

Scope and Format:
Entrepreneurship is a major driving force in dynamic economies and an important objective of policy makers worldwide. Following decades of virtual neglect of the topic, the last years have seen a surge of research on entrepreneurship in economics as well as related fields such as management, psychology and geography. This course will provide an introduction to the essential economic theories and empirical studies analyzing the phenomenon of entrepreneurship. The course agenda covers a broad range of topics including determinants of new venture creation, the financing of entrepreneurship, business performance, the economic relevance of entrepreneurship and entrepreneurship policies. The lectures will combine overviews of the respective topics with detailed discussions of the methods and findings of exemplary studies

Credit requirements: Final exam (90 minutes)

Background reading:
The primary textbook for the course is:


The following works also provide a good introduction to parts of the course material:


No course registration required
Outline

1. Introduction
   1.1 What is entrepreneurship and how is it measured?
   1.2 Entrepreneurship in today’s economy: some facts and figures

2. Theories of entrepreneurship
   2.1 The classics: Schumpeter, Knight, Kirzner
   2.2 Contemporary theories

3. Born or made? Determinants of entrepreneurship
   3.1 Motivations and incentives
   3.2 Psychological traits and demographic characteristics
   3.3 Human capital: schooling and experience
   3.4 Social capital and its implications for entrepreneurship
      3.4.1 The geography of entrepreneurship
      3.4.2 Immigration and ethnic entrepreneurship
   3.4 Industry characteristics and macroeconomic factors

4. The process of new firm formation
   4.1 From nascent entrepreneurship to the young firm
   4.2 Financing entrepreneurial ventures
      4.2.1 Debt financing and credit rationing
      4.2.2 Venture capital and business angels
      4.2.2 Microfinance
      4.2.3 Crowd investing

5. Performance and economic impact of entrepreneurial ventures
   5.1 Firm survival and firm growth
   5.2 But does it all pay off? Entrepreneurial income
   5.3 Entrepreneurship and job creation
   5.4 Entrepreneurship and economic growth
   5.5 Entrepreneurship in developing countries

6. Entrepreneurship and economic policy
   6.1 Policy support for entrepreneurship: pros and cons
   6.2 Loan guarantee schemes and other credit market interventions
   6.3 Innovation policy and entrepreneurship
   6.4 Labor market policy and entrepreneurship
   6.5 Regulation and tax policy
   6.6 Social policy, culture and institutions