Lecture (M.Sc.)
Economics of Entrepreneurship

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Summer Term 2019

Time & Location: Monday, 14:15-18:00 (classes start on April 29, 2019); HS 400 (Mönchebergstrasse 7)
(Note: HS 400 is located on the first floor – next to room 1401 right at the Mönchebergstrasse entrance)

6 Credits: MSc Economic Behavior and Governance (PO 2013/2017: Modules 2a and 2b; PO 2012: Module 2);
MA Wirtschaft, Psychologie und Management (Module 7); MSc Business Studies (PO 2013/2017: Module:
VWL-IIM-B1, VWL-DiMark-B2); 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; date: July 18, 2019)

Background reading:
The primary textbook for the course is:

The following works also provide a good introduction to parts of the course material:
• Shane, S. (2009): “Why encouraging more people to become entrepreneurs is bad public policy”, Small
  Business Economics, 33(2): 141-149.

No course registration required
Outline

1. Introduction (April 29)

   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 (May 06-13)

   2.1 The classics: Schumpeter, Knight, Kirzner
   2.2 Contemporary theories

3. Born or made? Determinants of entrepreneurship (May 20-27)

   3.1 Motives 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
   3.5 Industry characteristics and macroeconomic factors

4. Financing new ventures (June 03)

   4.1 Introduction
   4.2 Debt financing and credit rationing
   4.3 Venture capital
   4.4 Business angels

5. The economic impact of entrepreneurial ventures (June 17)

   5.1 Entrepreneurship and job creation
   5.2 Entrepreneurship and economic growth
   5.3 But does it all pay off? Entrepreneurial income

6. Entrepreneurship and the university (June 24-July 01)

   6.1 Academic entrepreneurship
   6.2 Student entrepreneurship
   6.3 Entrepreneurship education

7. Entrepreneurship and economic policy (July 08-15)

   7.1 Policy support for entrepreneurship: pros and cons
   7.2 Selected empirical findings