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To my mother and father,

Mr. and Mrs. G. Cecil Walker

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BUSINESS AND ECONOMICS IN THE GENERAL EDUCATION PROGRAMS OF COLLEGES AND UNIVERSITIES

CHAPTER I

THE PROBLEM

Introduction

One of the greatest contemporary educational controversies is that centering around the problem of general education and the "general education movement." This is in reality a very old controversy--one that has raged sporadically for centuries. However, during the past thirty years or so, the arguments have taken on new perspective. There has been a realignment of forces and the advancement of new supporting arguments made possible by a changing society. In fact, the changes have been great enough to cause many to look upon the present movement as independent, separate and apart from similar movements of earlier times.

The "general education movement" that has developed during the past thirty years no doubt has resulted primarily as a defense against the "elective system" of the late nineteenth and the early twentieth centuries. During that period the "elective system" exemplified the predominent educational theory, especially at the college level. Students were given much freedom to choose the courses they would take to satisfy requirements for graduation. Naturally such a practice led to many abuses and the eventual development of a widespread belief that content of education was not important; that the acquiring of an education was determined primarily by amount of time spent instead of the mastery of specific subject matter. As a consequence, practically all educators turned away from the elective system and began to subscribe to the merits of more and more prescribed courses. Almost all educators now agree that there should be some general education required of all.

Although almost every institution that has concerned itself with general education, and almost every individual who has written on the subject, have developed their own definitions for the term, there is some degree of similarity among the many that have been advanced. A report of the California Study of General Education in the Junior College in 1951 presented the following definition of general education:

> General education is that part of education which is concerned with the common knowledge, skills, and attitudes needed by each individual to be effective as a person, a member of a family, a worker, and a citizen.[1]

This definition emphasizes the common needs of all people. Common needs are also emphasized in the definition presented by Florida State University in its statement of objectives for the general education program.

> General education is that part of the total educational program which, as distinguished from vocational and professional education, seeks primarily to develop in the student those skills, understandings, attitudes, and that set of values which will

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[1]B. Lamar Johnson, General Education in Action (Washington, D. C.: American Council on Education, 1952), p. 20.

equip him for effective personal and family living and responsible citizenship in a democratic society.[1]

A somewhat different approach to the problem is taken by the North Central Association's working definition of general education.

> . . . the term 'general education' signifies acquaintance with the major areas of knowledge; it implies possession of the facts in such areas and some proficiency in the modes of thought involved in understanding such facts. In its purposes and in its content it is a continuation of the kind of education offered in secondary schools. It excludes definite vocational preparation.
>
> The general framework should embrace offerings in most or all of the following fields: biological sciences, the fine arts, languages and literature, philosophy and related subjects, physical sciences including mathematics, and the social sciences.[2]

The foregoing quotations have been presented as being typical of thinking concerning the meaning of general education. Two elements should be considered in connection with these statements that are basic to almost all definitions of general education. One of these is the non-vocational aspect and the other is the emphasis placed on common needs of all in our modern society. A very clear explanation of the latter point is included in a committee report by members of the faculties of six educational institutions:

> Whatever a man's special function in society may be, he has problems and needs in common with other men. We all face the same world of nature whose laws we must try to understand; we are all subject to the same social environment with whose complexity we must deal; and all of us are confronted with similar age-old moral choices. We must have some common understandings

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[1]W. Hugh Stickler, James Paul Stoakes, and Louis Shores (eds.), General Education: A University Program in Action (Dubuque, Iowa: Wm. C. Brown Company, 1950), p. 68.

[2]North Central Association of Colleges and Secondary Schools, Revised Manual of Accrediting (Chicago: North Central Association of Colleges and Secondary Schools, 1938), p. 1.

> of the ideas and ideals on which our civilization depends and which we are therefore not free to ignore. If a democracy shaped not by a picked few but by all of us is to function, we must understand a good many problems--personal, social, and scientific--with which men and women even a century ago were not obliged to deal. This is the argument for that general part of a liberal education which is designed to give the skills, the understanding, and the values which all men need, whatever their life work or particular calling.[1]

As has been indicated, various definitions of general education, although not completely the same, usually are quite similar and seldom contradict one another. However, there is not as much agreement on other issues concerning general education. With reference to the content of general education, for example, it is almost impossible to find any two people who are in complete agreement. It is with this aspect that the greatest differences of opinion have existed over the years. Throughout this controversy, a great many leaders in the field of general education have taken the position that only the traditional academic subject matter should be considered for general education purposes. They have been too busy discussing the relative merits of literature, history and science to take an unbiased look at other areas of education with general education implications. They have not seen the universal values of many "practical" courses (such as those dealing with fundamental business principles) that have long been considered of value in vocational capacities.

Of significance, too, is the fact that leaders in the field of vocational and professional business education have failed to give adequate consideration to the problems of general education. They have been primarily concerned with the problems of occupational preparation of

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[1]General Education in School and College, A Committee Report by Members of the Faculties of Andover, Exeter, Lawrenceville, Harvard Princeton, and Yale (Cambridge, Massachusetts: Harvard University Press, 1952), p. 25.

businessmen and have not properly considered the implications and values of many areas of business information as general education. Basic business courses with general education implications have too often been considered by business educators to be primarily vocational or prevocational preparation for businessmen. Instructors of basic courses in the various subject matter areas of business (i.e., economics, finance, marketing) have often taught those courses as if all students enrolled were taking them as a background for further study and eventual careers. In doing this, the instructors have ignored the needs of nonbusiness majors, as well as business majors in other subject matter areas, and have concentrated their efforts on teaching their courses in such a way as to provide the best possible preparation for occupations in their respective fields of interest.

Recently two very extensive studies were made of higher education for business in the United States. One was sponsored by the Carnegie Corporation of New York and the other by the Ford Foundation. Both of the reports of these studies dwell extensively on the necessity for having more liberal arts education in the business major's curriculum and less specialization in the course offerings of colleges and departments of business. Very little is said about the colleges and departments of business providing basic courses for both business and nonbusiness majors except insofar as nonbusiness majors might take business courses to help prepare them for business occupations. The Ford Foundation report expresses this position as follows:

> The business schools and departments have an obligation to make available to nonbusiness students on the campus a small and select list of business courses that the latter will find useful, whether they eventually go into business or not. These

> would be courses not ordinarily taken by students in the business school. These courses would deal with some of the basic analytic tools and broadly consider the functioning of business within its market and nonmarket environment. If these courses are properly planned and well taught, no liberal arts college should be reluctant to accept them in partial fulfillment of the requirements for a liberal arts degree.[1]

In effect, the above quotation assumes that the business course needs of nonbusiness students who are planning business careers are different from those of the business major and that special courses should be provided to meet those special needs. In the opinion of the author such a practice is unnecessary. The quotation ignores the fact that there are business courses of value to both business and nonbusiness majors; that there is a common core of business information that is of value to all people, regardless of occupational choice.

The preceding quoted statement indicates that the authors believe some business information is useful for nonbusiness students. No qualifying statement is attached to the effect that the study of the business information must be liberalizing in order for it to have utility. In another statement from the same source, however, the implication is made that business courses must be rigorous and highly intellectual if they are to be of value.

> It is not difficult to make a strong case for the liberal values of a well conceived business program. Given sufficient intellectual content and taught in such a way as to reveal the broad implications of how business functions, many business courses could be made to offer the liberalizing values that we associate with courses in the humanities and physical and social sciences. Indeed, a well planned and well taught course in administration or finance can provide more of an intellectual challenge than many of the courses offered in the humanities.

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[1]Robert Aaron Gordon and James Edwin Howell, Higher Education for Business (New York City: Columbia University Press, 1959), p. 143.

> And a high-level course in managerial economics can be as challenging and as rigorous as many of the courses in the physical sciences. Rigor does not require that there be single and demonstrably correct solutions to problem situations. It should be the main purpose of the business schools to introduce a high level of rigor in this broader sense into all of their courses.[1]

Notice that the emphasis in the statement is placed upon "rigor" and "intellectual content." In effect, the authors are adhering to the faculty psychology theory of transfer of learning. Thus, they would say it makes little difference what a person studies so long as it is highly academic and scholarly. If one is "liberating" his mind, he might as well study rigorous business courses as the humanities or physical sciences. According to this view, a practical business course covering something other than broad implications of how business functions is of little or no value. Such a course could not possibly have a "liberating" influence on the mind.

General education has traditionally been concerned with those courses which provide students with common informational backgrounds and which at the same time train the faculties of the mind, such as reasoning, memory, objective thinking, and so forth. Those who advocated that theory held that some subject matter could contribute more to the training of faculties than others and therefore were more desirable for general education purposes. Today, although it is generally conceded that the faculty theory is basically wrong, the pattern of subjects that gained predominence during the time it was commonly accepted still exists. New theories of learning, placing more emphasis upon content of education, have made the selection of that content more important.

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[1]*Ibid.*, p. 142.

While through the years the emphases have been in the direction indicated previously, it is fortunate that since the end of World War II a few really sincere efforts have been put forth to try to determine the place of business education in the American general educational framework. Since that time much has been said about an area of business education called "general business education" that has been proclaimed by many business educators to be of value to all people, regardless of occupational choice. "General business education" has been defined as:

> . . . that training needed by all in order that (1) each may carry on effectively his daily business activities centered about the home and his personal business life, (2) each may understand and participate in the business life of the community and of the nation as these affect him personally and as they relate to the well-being of every other citizen, and (3) each may have an understanding of business as a factor in world relations and in world economic well-being.[1]

Embodied in the above definition are two significant concepts concerning general business education. The first is that, because all people are consumers of the goods and services made available to them by business, they need to be familiar with certain business information in order to be efficient consumers. One's wisdom, or lack of wisdom, in the use of goods and services provided by business determines to a great extent his standard of living. Only if an individual is a wise consumer will he be able to enjoy the highest possible standard of living. Of course, some of what one needs to know about consumer economics can be learned through experience, but that is an expensive process. A much more efficient way of acquiring such information is through the study of

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[1]National Business Teachers Association and Eastern Business Teachers Association, General Business Education, Sixth Yearbook (Somerville, New Jersey: Somerset Press Inc., 1949).

it in a classroom situation with the aid of a teacher who has had benefit of education and experience in the area.

The second concept of vital importance here is that all people, individually or as participants in a group, exercise control over the manner in which business operates and serves society. In his capacity as a part of our society, every individual has a responsibility to master that business information and those business understandings needed by each person in order that he may be a more desirable citizen. If people are not "economically literate" and do not understand business policies and practices, the welfare of all is endangered thereby.

Notice that the definition takes into consideration only the nonvocational relationships that individuals have with business. The production and distribution of goods and services, the vocational aspect, is excluded from general business education.

An expression of concern relative to the above-mentioned areas of general business education is contained in a statement by Eyster:

> People as voting citizens indirectly decide upon issues pertaining to government regulation of business, controlled vs. free economy, extension of consumer credit, and many other points of controversy. The management of personal business affairs is becoming increasingly complex. Do these observations and many similar ones have implications for the general education of all secondary school and college students? What kind of business and economic education will every person have to receive as a part of his general education to enable him to manage his own business affairs effectively and to vote intelligently on significant economic and business problems?[1]

Business has been a very great and important force in the development of human civilization--a force that too few people realize or

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[1]Elvin S. Eyster, "Education for Business--A Time for Reappraisal," Journal of Business Education, XXXIV (February, 1959), p. 194.

appreciate. A complete understanding of the development of human ideas cannot be developed if one fails to acquire an understanding of business principles. Knowledge of business is so completely interwoven with the development of knowledge of history, geography, philosophy, and other areas of learning as to make a real study of any one area impossible without an understanding of fundamental business principles. There are more immediate and practical reasons, however, for learning more about business as a basic element of normal living. Business is assuming an ever-increasing importance in our lives as our civilization becomes more complex. We must now exercise some degree of control over every aspect of our lives from the flow of money through the complex financial institutions to the flow of airline traffic over the airways of the nation. Knowledge of business principles aids in putting complex information into manageable form and in the processing of data to yield in simple enough form the information we need to know in order to make decisions, both trivial ones and those affecting our destiny and that of society. Increasingly one needs to possess understanding of business concepts. To fail to gain them is to have missed a significant aspect of a complete education.

The study of economic and business information has been advocated at various times over the years but people dealing with the problem have almost always been concerned with its inclusion in the curriculum of the secondary schools. There have been very few instances where business educators advocated with any degree of constancy the study of business by all college students. Notice that Eyster included colleges in his statement relative to general business education. Kidd also discusses this possibility when he says:

> The educated citizen is 'economically literate.' He has capacity and skill necessary for planning his business and economic life; he has the capacity and skill necessary for improving the efficiency of his economic responsibilities and carrying on his everyday duties; and he has the ability to use critical judgment and practices in buying and using business goods and services. These are practical attributes which every student enrolled in college should acquire. The acquisition of these qualities is a vital and integral factor of general education.
>
> In order to make more responsive and responsible citizens of our students, the colleges must attempt to enable their students to acquire those attitudes, behaviors, habits, and skills which are necessary for critical and constructive thinking about the affairs and issues of their community life, and to exercise their civic duties.[1]

In the opinion of the author, the urgent need for the study of business information as a part of general education is not overemphasized in the preceding material. Therefore, faculties of colleges of business throughout the country should take a more determined and aggressive stand in behalf of general business education. A concerted effort should be made to determine whether or not present general business offerings truly meet the needs of all students in colleges and universities. Research efforts in this direction will be both important and opportune. They will be important because higher education for business has become so large a part of our total educational effort, because the rapid expansion of collegiate institutions and programs has been accompanied by serious questioning as to the direction and quality of the effort, and because much of the rest of the world is increasingly looking to the United States for guidance on higher education in business. Such research efforts will be opportune because there is now a lull which

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[1]Richard D. Kidd, "Economic Literacy for All," Journal of Business Education, XXXIV (October, 1955), pp. 23-24.

precedes an anticipated surge of college enrollments in the 1960's. If proposals for improvements are to receive serious consideration, such consideration can best be given before faculty members and educational administrators alike are struggling with the consequences of a tremendous increase in college enrollments and a teacher shortage of very great magnitude. Education for business at the university and college level will continue to be a major element in our educational structure during the years ahead. The time to begin to critically evaluate the nature of that educational activity is now.

There is an unbelievable range and variety of human activities and experiences which may appropriately be studied in college. Thus it is obvious that only a limited number of basic activities and experiences can be selected for teaching in the classroom. Following this reasoning in its application to all phases of education, it becomes immediately apparent that only a limited number of the basic elements concerning business can be included in the general education phase of study in the various programs offered in colleges and universities. The need for very careful selection of those basic elements is, therefore, very great.

Statement of the Problem

The problem of this study was to isolate and define the business and economic information which should constitute a part of the general education offered for all students in colleges and universities and to give consideration to ways and means of providing this kind of education. The solving of the problem involved two significant aspects:

1. A determination, through use of the conference and questionnaire technique, of the specific elements of business and economic

information that should be made available to or required of all college students.

2. A selection of the ways and means by which business and economic information should be included in the general education of college students.

The primary purpose of this study was to stimulate thinking concerning the contributions that business education can make to collegiate general education. It is hoped that this study will be an aid to the faculties and administrations of colleges and universities in making future curriculum changes and will contribute to the advancement of thinking concerning the general education values of specific areas of business education offered at the collegiate level.

Delimitations of the Study

This study was limited to the determination of what business information should be studied by all students enrolled in colleges and universities and how that information should be so studied. It was not directly concerned with other general education requirements.

Only alumni, faculty members, and administrators of Oklahoma City University were used as respondents for this study. The alumni included were all graduated prior to the year 1955.

The study was primarily concerned with what the role of general business education should be and only incidentally with present business offerings and present university general education provisions. It was not concerned with vocational business education except insofar as specific elements of business information might be of value for both vocational and general purposes.

Sources of Data

The data for this study were obtained from:

1. An analysis of related literature and research concerning the general education values of business and economic education.

2. Conferences with alumni, faculty members, and administrators of Oklahoma City University.

3. A study of reports of general education programs in certain colleges and universities in the United States.

Method of Procedure

The first step taken in this study involved an extensive study of published materials on the subject of general education in order to acquire an understanding and develop a philosophy of the subject.

The next step was devoted to a determination of the elements of business and economic information that are essential for all people and that should be a part of the general education programs in colleges and universities, and how that information should be included in general education programs. The procedure was as follows:

1. An analysis of related research was made. The research selected was that in which specific elements of business and economic information have been found to be of value for all people.

2. A questionnaire was developed based on information obtained from this analysis. The first part contained elements of business and economic information. Respondents were asked to indicate whether they believed each of these elements was essential or nonessential for all people to know or if they had no opinion concerning the matter. If certain elements were checked as essential information for all, the

respondents were then asked to indicate whether they believed the information should be obtained in college, in the secondary school, from personal experience, or from some other source. This part of the questionnaire contained several statements of elements indicated in different ways and placed at different points on the questionnaire so as to provide a check for validity.

The second part of the questionnaire contained statements concerning various ways the information judged as essential might be included in the general education program. Respondents were asked to indicate their opinions concerning these statements.

3. A brief written explanation accompanied the questionnaire and was used by the respondents as an aid in answering the questions on the questionnaire. This explained the nature of general education, general business education, and the proposed study. It was developed from a study of recordings of oral explanations to several people who knew nothing about the study and their reactions to the explanations; i.e., questions asked, expressions of lack of understanding, and so forth.

4. Respondents were selected from the alumni records and faculty roster of Oklahoma City University. Seventy-five alumni and 25 faculty members and administrators were selected representing divergent fields of interest. The alumni selected were all graduated prior to the year 1955 and had achieved some degree of success in their respective occupational endeavors. Criteria for the determination of achievement of success were set up and the respondents chosen on the basis of these criteria.

5. A short conference was arranged with each of the respondents during which an explanation was made of the study. During this

conference, the folder of materials was presented to the respondents. In the folder was a duplicated letter of endorsement by Oklahoma City University President Jack Stauffer Wilkes and Dean of the School of Business, Willis J. Wheat. The respondents were asked to complete the questionnaire at their convenience and mail it to the author.

A brief booklet containing a content outline of the elements of information presented in the first part of the questionnaire was included in the folder of materials. The items in this booklet were keyed to the questionnaire to enable the respondents to refer to it for further information on any topic unfamiliar to them.

The third step was concerned with a study of published reports of general education programs in a number of colleges and universities in the United States. These reports were selected on the basis of evidence of much research and study in the selected institutions on the problem of general education and how it might best be provided.

The final step in this investigation involved the classification, analyzation, and evaluation of the data and the development of recommendations concerning general business offerings in colleges and universities.

CHAPTER II

DEVELOPMENT AND USE OF THE QUESTIONNAIRE

It was recognized from the outset that the validity and reliability of the results obtained from this study would be largely dependent upon the care with which the questionnaire and accompanying materials were prepared and used. Accordingly, a great deal of time was spent in developing the materials that served as tools for collecting a large part of the data. A considerable part of the material was submitted to critical analysis of a number of different people before the final draft was prepared. The respondents to the study were selected with care and much effort was expended to insure the respondents answering the questions to the best of their ability.

Preparation of the Questionnaire

One of the most important steps in this study involved the development of the questionnaire to be used by the respondents to indicate their opinions concerning the study of business and economics by all students at the college level. This questionnaire was developed after a thorough study and analysis of related research and textbook materials in the area of basic business and economics. The results of six doctoral dissertations were analyzed first in order to determine what elements of business and economic information have been found to be of sufficient value to be studied by all people. All of these dissertations isolated specific elements of business and economic information or business and economic concepts and attempted to determine which of these elements or concepts were essential for all people. These elements and concepts were stated in different ways in the various dissertations but it was possible to place each of them on a separate card and then classify the items according to broad subject matter headings. Only those elements that had been found through statistical analysis to be of importance to all people were used.

After the elements were all classified, a thorough study was made of the subject matter content involved in each of the broad headings. A number of basic business and economic textbooks were studied for the purpose of determining whether or not the elements of information obtained from the dissertations had been properly classified, whether or not the coverage of each of the broad topics had been sufficiently comprehensive, and whether or not any irrelevant elements of information had been included.

Source of Content

It was possible after thorough study of the subject matter content to develop the first part of the questionnaire. Each of the broad topics was analyzed separately, re-classifications of some of the elements were made, and some elements were eliminated. Those elements that were obviously too elementary to be studied by college students were eliminated as were those that were considered irrelevant or repetitious.

The dissertations that were used for the purposes of developing the content of the questionnaire were those by McGill[1], Overman[2], Crank[3], Muse[4], Price[5], and Wells[6].

McGill[7], in his study, prepared a carefully screened list of business knowledges, skills, and competencies and presented this list in interviews to over a thousand individuals in the state of Kansas. These people evaluated the importance of each of the business knowledges, skills, and competencies in terms of their everyday life. The evaluations were made on the basis of a rating scale ranging from a value of .50 for a no importance rating to a value of 4.50 for a very important rating. The population sample represented a thorough cross-section of the population of the state of Kansas according to the 1950 census. Samples were drawn

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[1]Esby Clifton McGill, "A Study of Business Skills and Knowledges Used by Business and Non-Business People" (unpublished Ed. D. dissertation, New York University, 1955).

[2]Glenn D. Overman, "Basic Economic Concepts About the American Business System Which Business Executives Believe Everyone Should Know" (unpublished doctoral dissertation, Indiana University, 1954).

[3]Floyd L. Crank, "A Study of the Subject Matter Content in Basic Business and Economic Education" (unpublished doctoral dissertation, Northwestern University, 1956).

[4]Paul F. Muse, "A Study of the Business Activities, Interests, and Understandings of Secondary School Pupils and Adults as a Basis for Determining Subject Matter Content and Grade Placement of Basic Business Education in the Secondary School" (unpublished doctoral dissertation, Ohio State University, 1946).

[5]Ray G. Price, "Curriculum Practices in Consumer Education" (unpublished doctoral dissertation, University of Cincinnati, 1945).

[6]Inez R. Wells, "A Survey of Basic Business Education in Ohio" (unpublished doctoral dissertation, Ohio State University, 1947).

[7]McGill, op. cit.

from urban, small town, and rural areas. There were 855 interviews that were considered usable and that were used in analyzing the data.

It was concluded in this study that all of those items given ratings of 2.50 or higher were of sufficient importance to be studied by all people. There were 241 items that received such a rating. A complete list of the 241 items reported by McGill, and listed under 16 major headings, is presented in Appendix A of this report.

A unique approach was taken by Overman[1] in his study to discover what basic economic concepts everyone should know. He made an analysis of the content of the educational program of 35 business firms. In addition, concepts were obtained from 23 business executives having considerable experience in economic education. Each of these business executives submitted a list of five or more concepts which they considered to be basic to an understanding of the American business system. From both sources a total of 5,000 concepts were collected from which 49 frequently appearing concepts were selected. These 49 concepts were included in a checklist that was submitted to 268 executives of firms engaging in economic education activities. Each concept was rated by each of the executives as major, minor, or objectionable as an understanding needed by every citizen to insure the preservation of the American way of life and an increased standard of living. A major rating was given if the concept should be understood by everyone, was most important, and was a basic concept. If the concept did not need to be understood by everyone, was of little importance, and did not need to be included as a basic concept, a minor rating was given. If the concept was generally false or

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[1]Overman, op. cit.

misleading and should not be fostered in economic education, an objectionable rating was given. Forty-nine concepts were judged to be of major importance by the majority of the respondents used in the study by Overman. The 49 concepts appear in Appendix A.

Crank's study[1] was concerned with the determination of the subject matter facts, principles, and concepts that are of greatest importance in meeting the common business and economic needs of high school students. An analysis was made of a number of research studies from which a master list of business and economic topics was developed. This master list consisted of five divisions. Each division was submitted to three specialists who rated the topics in their area of specialization as essential, desirable, or unimportant. After the evaluations of the topics had been made, facts, principles, and concepts were selected from current high school texts and categorized, the topics being used as guides. The facts, principles, and concepts were then submitted to parents of high school pupils for evaluation. Those topics found by Crank to be essential for all high school pupils are presented in Appendix A.

Muse[2] prepared a checklist from an extensive study of basic business and economic textbook materials and from a study of the needs and problems of youth as reported in the literature. He submitted the checklist to a group of secondary school pupils and to a group of adults for their evaluation. The checklist contained 212 business activities and 75 topics of business information. In Part I of the checklist, each of the 212 business activities was checked in one or three possible ways:

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[1]Crank, _op. cit_.

[2]Muse, _op. cit_.

(1) if the activity had been performed by the respondent, (2) if the activity had not been performed, but it was believed important to know how to perform, or (3) if the meaning of the activity was not understood by the respondent. In Part II, which contained the 75 business topics, each respondent was asked to indicate those topics about which he thought every person should be reasonably well informed. Each respondent was then asked to list on the back of the checklist any business activities and any business topics which he thought were omitted.

In order to obtain the viewpoints of businessmen concerning the same activities and topics, the checklist was sent to a number of Rotary Clubs in the United States. A committee of from three to five members in each club was instructed to check the checklist in the same manner that the students and adults had checked it.

It was concluded by Muse that 138 business activities and topics should be familiar to all pupils and adults. These were classified under 16 basic business topics and appear in Appendix A.

An analysis was made by Price[1] of current consumer economics textbooks, courses of study in consumer economics, and research studies to determine practices with regard to objectives, content, methods, and evaluation procedures in high school and college consumer education. A jury of 17 authorities in consumer education rated the content that should be included in a high school consumer education program. The topics that were rated were rather broad in nature and consequently not nearly so many topics were used as in other studies reviewed here. Fourteen topics classified under three categories were judged to be important

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[1]Price, op. cit.

so far as the consumer education of high school pupils is concerned. The fourteen topics appear in Appendix A.

Wells[1] analyzed a number of studies made to determine the subject matter content of general business education. Each of the items mentioned in the studies was analyzed and classified. It was concluded that 15 broad subject matter topics should serve as the basic content of instruction in general business. They are presented in Appendix A.

It may be noted from an examination of the topics listed in the various sections of Appendix A that there is substantial agreement as to what business and economic information is important for all people. Topics are stated in varied ways and classified differently in the several studies but there is general agreement as to broad topics. For example, insurance is mentioned in practically all of the studies as being important, as are investments, taxes, and consumer buying.

Since most of the studies were concerned primarily with general business at the high school level, it would only be logical that some of the topics found to be important would be too elementary for study at the college level. Examples of these are "how to make change" and "how to write personal checks." Such items were not used for the purposes of this study.

In several studies, such topics as "how to find a job," "how to use a dictionary," and "how to use an atlas" were listed. Although the author would not negate the importance of these, it was believed that they are somewhat irrelevant so far as business education is concerned. In other words, they do not specifically come within the realm of

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[1]Wells, _op. cit._

business and economic education. Consequently, they, too, were not used in developing the questionnaire for this study.

It was concluded after classification and analysis of the business and economic topics extracted from the six doctoral dissertations and after a thorough search of basic business and economics college textbooks that 35 broad topics might be pertinent to the business and economic education of all college students. These 35 topics were incorporated in Part I of the questionnaire. The complete questionnaire is presented as Appendix B. Included on the questionnaire are four topics that involved information that was identical to four other topics but that were worded differently. These topics were included so as to provide a limited check for validity.

Nature of Responses

It was believed necessary, first of all, to discover whether or not the respondents would concur with the findings of prior research concerning the value of each of the 35 topics as a part of the education of all people. Consequently, respondents were asked to check on the questionnaire whether they believed each stated topic of business or economic information to be essential or nonessential as a part of the education of all people or if they had no opinion concerning the matter. If the topic was checked as being essential, it was then necessary to discover where the respondents believed the information should be obtained--in college, in the secondary school, from personal experience, or from some other source. The respondents were asked to check which one or ones of the preceding they believed should be the source.

If the respondents indicated certain of the elements to be essential and if they indicated that they should be studied at the college level, it was believed to be important to ask the respondents to indicate their opinions as to how the elements should be provided in the college curriculum. Part II of the questionnaire was designed to acquire this information. Part II may be found in its entirety in Appendix B. The respondents were asked first to indicate whether they believed special subjects should be designed to provide the information or whether the information should be included as a part of other subjects offered in the college or university. If they indicated that the information should be made a part of other subjects, they were asked whether these subjects should be basic business subjects or subjects offered in several other departments of the college or university. If special subjects were indicated as necessary, respondents were asked to check whether they should be elective or required. If the respondents believed that special subjects should be elective, they were asked to indicate whether the subjects should be free electives or electives available to satisfy specific subject matter area requirements; and if required, required of all college students or just some college students. The final question on this part of the questionnaire asked the respondents to check which college students should be required to take the special subjects if they believed the subjects should not be required of all but be required of some.

Materials Accompanying the Questionnaire

Since respondents were selected from many different occupations and since most of them did not study any business and economics in college, it was considered desirable to develop a reference booklet to accompany the questionnaire. The booklet, presented as Appendix C, contains a content outline of the business and economic topics presented in Part I of the questionnaire. The outline is not exhaustive but enough information is presented to have enabled respondents to understand the implications of the statements on the questionnaire in those cases where they might not have been intimately acquainted with the statements. The respondents were told that it was not necessary for them to read the booklet in detail in order to answer the questions but that they should refer to it when a topic was not familiar to them.

Preparation of this booklet was made on the basis of wide reading of many different business and economics books, periodicals, and pamphlets. Because of the expanse of information available, it was necessary to drastically limit the amount included in the booklet so that it could be readily used for the purpose it was intended.

Close examination of the booklet will reveal that the topics that appear twice in Part I of the questionnaire also appear twice in the booklet. As in the questionnaire, outlines of these topics are worded differently.

There is no way of knowing the extent to which the booklet was used, but in general respondents expressed interest in it. Many indicated that they studied the booklet in detail before completing the questionnaire and found it to be of value in answering the questions.

To secure the maximum amount of cooperation from the respondents, a letter of endorsement was obtained from Dr. Jack Stauffer Wilkes, President of Oklahoma City University and Willis J. Wheat, Dean of the Oklahoma City University School of Business. A copy of the letter accompanied each of the questionnaires and one is presented as Appendix D.

Since the letter was presented to the respondents and read in the presence of the author, it was possible to obtain an idea as to the effectiveness of the letter. In many cases, respondents indicated that they were personally acquainted with one or both of the men who signed the letter and would be most happy to cooperate for that reason. Only in three instances did people who were asked to participate in the study refuse to do so. No doubt, the unusually high rate of returns of questionnaires can be attributed at least partially to the letter of endorsement.

The Respondents

Only faculty members, administrators, and alumni of Oklahoma City University were used as respondents for this study. This group was selected for several reasons:

1. It was believed that a high percentage would be concentrated in the Oklahoma City metropolitan area and thus would be easily accessible. Due to the nature of the study, it was believed that personal contact was necessary in order to be sure that the respondents adequately understood the study and how they should complete the questionnaire.

2. The writer was on the faculty for several years at Oklahoma City University. He was personally acquainted with most of the faculty and many of the alumni. This was of invaluable assistance in securing

the cooperation of respondents and others whose help was needed in the course of the study.

3. Oklahoma City University has had an extensive general education program for many years. As a result, faculty, administrators, and alumni were acquainted with the nature of general education--a factor which proved to be very helpful in this study.

Selection of the alumni respondents was made from those people who were graduated prior to the year 1955. This was done so that the participants in the study would be able to base their answers upon an adequate amount of experience. Alumni were selected from a number of different occupations that normally require a college degree.

Only those alumni who had achieved a satisfactory degree of success in their respective occupations were asked to participate in the study. Those people, it was believed, would be more likely to have definite, well-conceived opinions in regard to the questions asked. In order to select people in this manner, it was necessary to develop criteria for determining success. This was done largely on the basis of the work by Super[1] in which he identified immediate, intermediate, and ultimate criteria for determining success. Criteria that were developed for the purposes of this study are as follows:

1. Success as a student as demonstrated by scholarship, activities, and so forth.
2. Acquisition of a terminal degree as preparation for chosen field of endeavor.
3. Acquisition of professional status in chosen field of endeavor as denoted by license to practice, certification, and so forth.

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[1]Donald E. Super, Appraising Vocational Fitness (New York: Harper & Brothers, 1949), pp. 34-35.

4. Reputation as practitioner of profession as denoted by contributions to profession, membership and participation in professional associations, and so forth.

5. Over-all reputation as a leader in the community as evidenced by membership in civic organizations, and so forth.

Much of the information needed to select the alumni was taken from the alumni files of Oklahoma City University. A faculty member and a retired faculty member helped with the selection. Both of these men had been associated with the University for a number of years and were intimately acquainted with the graduates of the institution and their activities after leaving the University. The writer was quite pleased with the cooperation received from the respondents that were selected and the interest that they exhibited in the study. On the whole, they seemed quite concerned about the education of our youth and about the problems of education. For these reasons, the writer feels that selections were well made.

Faculty members and administrators were selected largely on the basis of the writer's acquaintance as a result of having taught in the institution. A proportionate number of faculty members and administrators was selected from each of the University's five schools--the School of Arts and Sciences, the School of Music, the School of Law, the School of Business, and the School of Engineering and Industrial Technology.

A total of 104 faculty members, administrators, and alumni were interviewed. Of this number, 101 completed and returned the questionnaires. One was deemed unusable. A list of respondents is presented as Appendix E.

After the development of the questionnaire and accompanying materials and the selection of the respondents, a period of several months was devoted to personally contacting the respondents. A conference was arranged with each person during which an explanation was made of the study being conducted and the necessary indication of willingness to participate in the study was secured. The respondents were then given the packet of materials and told that they could complete the questionnaire at their convenience and mail it to the author using the stamped and addressed envelope that was included in the packet. The remaining chapters of this report are devoted largely to the results obtained from the questionnaire.

CHAPTER III

BUSINESS AND ECONOMIC INFORMATION AS GENERAL EDUCATION

In Chapter II an explanation was made of the procedures for developing the questionnaire and accompanying materials and how they were used in this study. The questionnaire, it will be remembered, was divided into two major parts. In Part I, 39 business and economic subject matter elements were presented and space was provided for respondents to indicate the extent to which they believed each type of information is important for all people. In addition, respondents were requested to specify where the information they deemed to be essential should be obtained. In Part II of the questionnaire, respondents were asked to indicate how essential information that should be obtained in college can best be included in the programs of college students.

This chapter is devoted to an examination of the data secured through use of Part I of the questionnaire. The specific purpose here is to reveal what business and economic information respondents believed is essential for all people and where respondents believed the information should be obtained. The chapter is divided into several sections. The first section is devoted to a consideration of the value of each of the business and economic elements of information presented in the questionnaire as reported by the 100 respondents. The next section is devoted to a study of data relative to where respondents believed the information specified as essential should be obtained. Specific consideration is then given to the information that respondents believed can be most appropriately obtained in college, the information that can be most appropriately obtained in the secondary school, and lastly, the categories of information that respondents believed can be most appropriately obtained by means of study in both colleges and secondary schools.

Value of Selected Business and Economic Information

Table 1 contains a complete listing of the elements of information included in Part I of the questionnaire along with an indication of the number of people who believed each of the elements to be "essential," the number who believed each of them to be "nonessential," and the number who indicated "no opinion" in each case. The numbering of the elements listed in Table 1 is that in the questionnaire and the items appear in the table in the same order as they appear in the questionnaire. The numbering of the items remains the same in all of the succeeding tables even though the order of appearance in the tables varies.

Although there are 39 business and economic elements of information presented, in reality there are only 35 different elements. Four of the elements were repeated in the questionnaire to provide a limited check for validity. The elements that were repeated were worded differently and therefore the repetition is not immediately apparent. The items repeated in the questionnaire are: 4, Business Cycles and 37, Economic Fluctuations; 9, International Economic Policy and 18, World Trade; 20, Division of Fruits of Production and 28, Distribution of National Wealth and Income; and 23, Technological Progress and 35, Automation.

TABLE 1

OPINIONS OF 100 RESPONDENTS IN REGARD TO THE VALUE OF 39 SELECTED ELEMENTS OF BUSINESS AND ECONOMIC INFORMATION*

Questionnaire Item Number	Element of Information	For All People the Information Is		
		Essential	Nonessential	No Opinion
1	Economic Systems	97	3	0
2	Government as a Business Enterprise	90	10	0
3	Credit Services	86	11	3
4	Business Cycles	67	31	2
5	Economics of Taxation	92	8	0
6	Insurance	82	15	3
7	Competition	65	32	3
8	Money	79	18	3
9	International Economic Policy	50	48	2
10	Transportation	49	48	3
11	Wages	87	13	3
12	Consumption	76	21	3
13	Government Regulation	73	25	2
14	Business Enterprise	73	23	4
15	Capital	82	15	3
16	Operation of Our Legal System	89	11	0
17	Record Keeping	92	8	0
18	World Trade	51	46	3
19	Business Communication	69	31	0
20	Division of Fruits of Production	57	41	2
21	Social Security	92	8	0
22	Price Determination	64	33	3
23	Technological Progress	53	41	6
24	Labor	85	12	3
25	Consumer Buying	81	15	4
26	Investments	90	10	0

*Since there were 100 respondents, the numbers in this table can be considered either as frequencies or percentages.

TABLE 1--Continued

Questionnaire Item Number	Element of Information	For All People the Information Is		
		Essential	Nonessential	No Opinion
27	Government Borrowing and Creation of National Income	76	21	3
28	Distribution of National Wealth and Income	58	35	7
29	Use of Money	90	8	2
30	Agriculture	53	43	4
31	Production	60	37	3
32	Relations of Economic Groups	76	20	4
33	Credit	89	9	2
34	Banking	89	8	3
35	Automation	60	35	5
36	Budgeting	96	4	0
37	Economic Fluctuations	59	39	2
38	Taxation	91	9	0
39	Business Profits	76	20	4

In Table 1 and all succeeding tables, complete statements of the elements of information are not presented. Only topical headings are indicated for the sake of brevity. Reference to Appendix B, where the questionnaire is presented, will enable the reader to note the 39 items in their entirety.

The information appearing in Table 1 should be read in the following manner: Of the 100 respondents to the questionnaire, 97 believed that information regarding Economic Systems is essential for all people; 3 people believed such information to be nonessential; and none lacked an opinion in regard to it. Since 100 respondents were involved in this study, the numbers in Table 1 can also be considered as percentages.

The method of construction of the questionnaire and the arrangement of the informational items were designed to avoid set patterns of responses. It is apparent that this goal was achieved. Analysis of the data in Table 1 reveals that the order of appearance of the items in the questionnaire had no bearing upon the frequency ratings. Item Number 1 has the highest "essential" rating of 97 but Item Number 36 has the second highest of 96. The lowest "essential" rating of 49 was indicated for Item Number 10 and the second lowest of 50 for Item Number 9. Of the five items with the highest "essential" frequency ratings, three appear in the first half of Part I of the questionnaire and two appear in the second half. Of the five items with the lowest "essential" frequency ratings, three appear in the first half and two appear in the second half.

It should be noted that all of the respondents indicated either an "essential" or a "nonessential" rating for 11 of the items. It is perhaps significant that the frequency with which respondents indicated "no opinion" relative to 28 items was low, the range being from 2 to 7.

In general, items in the questionnaire with limited "no opinion" frequencies were considered to be "essential" by most of the respondents. As an indication of this, of the 11 items with "no opinion" frequencies of zero (1, 2, 5, 11, 16, 17, 19, 21, 26, 36, and 38), only one had an "essential" rating lower than 97. That one item was Business Communication which received an "essential" rating of 69 and a "nonessential" rating of 31. Conversely, items with high "no opinion" frequencies received rather low "essential" ratings. Of the eight items with "no opinion" frequencies greater than 3 (14, 23, 25, 28, 30, 32, 34, and 39), three received "essential" ratings in the 50's, one in the 60's, three in the 70's, and one in the 80's.

The item Distribution of National Wealth and Income has a "no opinion" frequency of 7 while Division of Fruits of Production has a "no opinion" frequency of 2. The "essential" ratings are 35 and 41, respectively. These differences are significant in view of the fact that one of the items was designed to duplicate the other. However, variances of "no opinion" frequencies of other items that were duplicates are small. In two cases the variance was 1 and in the other case the variance was zero.

Most of the business and economic elements used in this study were deemed to be essential by a large proportion of the respondents. This was anticipated in view of the manner in which the elements of information were developed. The elements that were selected had all been found to be of value in other research studies and, therefore, it is logical that they should be found to be of value in this study. It is significant, however, that a different method of presenting the information to respondents was used in this study and no doubt a broader perspective was projected. In other studies, a great many highly specific items were used, whereas this study involved a smaller number of rather broad general elements of business and economic information.

Only one element out of the 39 used in this study was considered to be essential by less than a majority of the respondents. That item was Transportation which received an "essential" rating of 49. Nine of the elements were judged essential by 90 or more of the respondents; 18, by 80 or more; and 25, by 70 or more.

Of the informational items that appeared in the questionnaire in two different places with different wordings in each place, Technological Progress and Automation were believed to be essential by 53 and 60 of the respondents, respectively; Business Cycles and Economic Fluctuations by 67 and 59; International Economic Policy and World Trade by 50 and 51; and Division of Fruits of Production and Distribution of National Wealth and Income by 57 and 58 of the respondents.

As was noted in Chapter I, most other related research studies have attempted some type of classification of business and economic information. However, no attempt has been made thus far to classify the elements of information used in this study. It seems appropriate at this point to present a system of classification so as to aid in the study of the data.

Although there are several ways of classifying business and economic information into a logical pattern, the five broad classifications suggested by Porter[1] seem to be most appropriate for use in this study.

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[1]Gerald A. Porter, "Implications of Research in Basic Business," The National Business Education Quarterly, XXIX (March, 1961), pp. 5-6.

Thus, the 35 business and economic elements that were used in this study may be classified as follows:

Economic Principles

Economic Systems
Government as a Business Enterprise
Business Cycles
Economics of Taxation
Competition
Money
International Economic Policy
Wages
Consumption
Government Regulation
Division of Fruits of Production
Social Security
Price Determination
Technological Progress
Government Borrowing and Creation of National Income

Money Management

Credit Services
Insurance
Investments
Use of Money
Credit
Banking
Taxation

Consumer Spending

Operation of Our Legal System
Record Keeping
Consumer Buying
Budgeting

Communication

Transportation
Business Communication

Business Organization

Business Enterprise
Capital
Labor
Agriculture
Production
Relations of Economic Groups
Business Profits

Items of information classified under the major headings of Money Management and Consumer Spending were all believed to be essential by a large majority of the respondents. All of these elements received "essential" frequency ratings greater than 80. Four elements in these categories were believed to be essential by 90 or more of the respondents.

Both of the Communication elements received rather low "essential" frequency ratings. One of these elements, Transportation, received the lowest "essential" frequency rating of all the 39 elements.

Of the seven items classified under the heading Business Organization, all but two were believed to be essential by more than 70 of the people who rated the information. The two items in this category that received "essential" ratings lower than 70 were Agriculture and Production. These two items were considered essential by 53 and 60 people, respectively. As a whole, items in this category, although they received rather high "essential" frequency ratings, did not rate so high as items in Money Management and Consumer Spending.

Almost half the informational elements in the questionnaire have been classified under Economic Principles. There is a wide range in the "essential" ratings of these elements. The ratings range from a low of 50 for International Economic Policy to a high of 97 for Economic Systems. Five of the elements in this category were believed to be important by 87 or more of the respondents, four received ratings in the 70's, and six received "essential" frequency ratings of 67 or below. As a whole, these elements were either considered essential by an unusually large number of respondents or were considered nonessential by a significantly large number.

The informational elements classified under Economic Principles and Business Organization are primarily macroeconomic elements; that is, elements that have implications for the broad functioning of our economic structure. Elements classified as Money Management, Consumer Spending, and Communication are primarily microeconomic elements. Microeconomic elements are those that pertain to economic problems revolving around the individual and the family. Considering the elements in this way, there was a definite tendency on the part of the respondents to check the micro elements as essential and the macro elements as nonessential. Of the 13 micro elements, 11 were in the top half when elements were ranked according to frequency of "essential" ratings. Of the 22 macro elements, only 7 ranked in the top half.

Since it is evident that much of the business and economic information used in this study was believed to be essential, it is particularly appropriate that a determination be made of where the information should be obtained. It is primarily for that purpose that the next section is presented.

Sources of Business and Economic Information

Although it was considered desirable to ask respondents to rate the informational elements used in this study in terms of their importance for all people, the primary objective of the study was to obtain their opinions as to where the information should be acquired. Further, the study was basically concerned with that information that should be acquired in college. It was, however, only incidentally concerned with other possible sources of the information.

In Table 2, the 39 business and economic informational items are ranked according to frequency of "essential" rating. These ratings range from a high of 97 for Economic Systems to a low of 49 for Transportation. Twenty-five of the items received "essential" frequency ratings of 70 or more and 14 received ratings below 70.

TABLE 2

SOURCES OF BUSINESS AND ECONOMIC INFORMATION AS INDICATED BY RESPONDENTS WHO RATED THE INFORMATION ESSENTIAL

Questionnaire Item Number	Element of Information	Frequency of Essential Rating	Where Essential Information Should Be Obtained							
			College*		Secondary School*		Personal Experience*		Other*	
			Fre-quency	Per Cent**	Fre-quency	Per Cent**	Fre-quency	Per Cent**	Fre-quency	Per Cent**
1	Economic Systems	97	83	85.6	81	83.5	15	15.5	22	22.7
36	Budgeting	96	53	55.2	82	85.4	38	39.6	19	19.8
5	Economics of Taxation	92	75	81.5	61	66.3	13	14.1	14	15.2
17	Record Keeping	92	45	48.9	83	90.2	26	28.3	16	17.4
21	Social Security	92	54	58.7	68	73.9	26	28.3	22	23.9
38	Taxation	91	64	70.3	58	63.7	20	22.0	17	18.7
2	Government as a Business Enterprise	90	76	84.4	68	75.6	8	8.9	12	13.3
26	Investments	90	71	78.9	62	68.9	26	28.9	19	21.1
29	Use of Money	90	32	35.6	70	77.8	33	36.7	21	23.3
16	Operation of Our Legal System	89	72	80.9	64	71.9	17	19.1	11	12.4

*Since many respondents indicated that essential information should be obtained from more than one source, the totals of the frequencies and percentages in these columns are not 100.

**Numbers in these columns are percentages derived from dividing the frequency of "essential" rating by the frequencies of "college," "secondary school," "personal experience," and "other" ratings.

TABLE 2--Continued

Questionnaire Item Number	Element of Information	Frequency of Essential Rating	Where Essential Information Should Be Obtained							
			College		Secondary School		Personal Experience		Other	
			Fre-quency	Per Cent	Fre-quency	Per Cent	Fre-quency	Per Cent	Fre-quency	Per Cent
33	Credit	89	55	61.8	65	73.0	21	23.6	17	19.1
34	Banking	89	50	56.2	67	75.3	27	30.3	17	19.1
11	Wages	87	57	65.5	64	73.6	25	28.7	14	16.1
3	Credit Services	86	41	47.7	66	76.7	20	23.4	14	16.7
24	Labor	85	60	70.6	64	75.3	17	20.0	13	15.3
6	Insurance	82	68	82.9	46	56.1	15	18.3	13	15.9
15	Capital	82	66	80.5	53	64.6	16	19.5	17	20.7
25	Consumer Buying	81	43	53.1	56	69.1	32	39.5	20	24.7
8	Money	79	54	68.4	56	70.9	16	20.3	9	11.4
12	Consumption	76	55	72.4	53	69.7	17	22.4	15	19.7
27	Government Borrowing and Creation of National Income	76	66	86.8	36	47.4	9	11.8	13	17.1
32	Relations of Economic Groups	76	62	81.6	43	56.6	15	19.7	13	17.1
39	Business Profits	76	67	88.2	36	47.4	17	22.4	10	13.2
13	Government Regulation	73	61	83.6	41	56.2	10	13.7	14	19.2
14	Business Enterprise	73	63	86.3	41	56.2	19	26.0	14	19.2
19	Business Communication	69	48	69.6	66	95.7	19	27.5	9	13.0

TABLE 2--Continued

Questionnaire Item Number	Element of Information	Frequency of Essential Rating	Where Essential Information Should Be Obtained							
			College		Secondary School		Personal Experience		Other	
			Fre-quency	Per Cent	Fre-quency	Per Cent	Fre-quency	Per Cent	Fre-quency	Per Cent
4	Business Cycles	67	65	97.0	24	35.8	9	13.4	10	14.9
7	Competition	65	48	73.8	40	61.5	20	30.8	10	15.4
22	Price Determination	64	52	81.3	37	57.8	10	15.6	11	17.2
31	Production	60	51	85.0	33	55.0	7	11.7	12	20.0
35	Automation	60	42	70.0	42	70.0	9	15.0	12	20.0
37	Economic Fluctuations	59	55	93.2	45	76.3	7	11.9	12	20.3
28	Distribution of National Wealth and Income	58	50	86.2	31	53.4	9	15.5	11	19.0
20	Division of Fruits of Production	57	44	77.2	34	59.6	13	22.8	14	24.6
23	Technological Progress	53	41	77.3	43	81.1	7	13.2	10	18.9
30	Agriculture	53	44	83.0	32	60.4	8	15.1	14	26.4
18	World Trade	51	47	92.2	24	47.1	7	13.7	12	23.5
9	International Economic Policy	50	50	100.0	20	40.0	4	8.0	10	20.0
10	Transportation	49	32	65.3	30	61.2	16	32.7	10	20.4

An indication is made in Table 2 of where those people who rated the information "essential" think it should be obtained. Each of the four major divisions (labeled "College," "Secondary School," "Personal Experience," and "Other"), has two columns, one with a "Frequency" heading and the other with a "Per Cent" heading. The frequency in each case represents the number of people out of the total of 100 who believed the information should be obtained from that particular source. The per cent was obtained by dividing the frequency by the frequency of essential rating. Thus in each case the per cent represents the percentage of those who rated the information essential and who believed it should be obtained from that particular source.

The table should be read in the following manner: For Item Number 1, of the 97 people who rated the information "essential," 83 or 85.6 per cent believed it should be obtained in college; 81 or 83.5 per cent believed it should be obtained in the secondary school; 15 or 15.5 per cent believed it should be obtained by means of personal experience; and 22 or 22.7 per cent believed it should be obtained from some other source.

Obviously, the frequency columns under the headings "College," "Secondary School," "Personal Experience," and "Other" do not add together horizontally to produce the number in the "Frequency of Essential Rating" column. This is because in most cases respondents believed that the essential information should be obtained from more than one source. In the case of Item Number 1, for example, it would appear that a majority of the respondents believed that the information should be obtained from study both in college and in the secondary school. In addition, a few indicated the belief that the information should be obtained through personal experience and other sources. Several people, in notes written on the questionnaire or in letters accompanying the questionnaire, expressed the idea that basic attitudes in regard to much of the information should be shaped in the elementary school, followed by more advanced study in college. One person said that college graduates might logically be expected to assume positions of responsibility and leadership in the community and nation and, therefore, would have need for more advanced study of many of the elements of information than would the non-college graduates.

Since there are a great many miscellaneous sources from which it might be possible to obtain the information presented in the questionnaire, the "other" category was used. This was considered desirable even though such other sources are not relevant to this study. In some cases respondents considered information essential but did not think it should be obtained from any of the three sources that were specifically mentioned. They then had the opportunity to check the "other" category and did not have to avoid answering. Many respondents, in checking this category, saw fit to indicate their interpretations of what the other sources should be. The elementary school was mentioned most frequently in this regard. In a few instances personal reading from books, periodicals, and newspapers; radio and television programs; and adult education classes were mentioned.

It is evident that relatively few people believed that any of the business and economic information should be obtained from personal experience and other sources. Budgeting, with a percentage of 39.6, has the highest "personal experience" rating. The lowest is International Economic Policy with a percentage of 8.0.

There were eight items that received "personal experience" ratings of 25 per cent or higher. It is interesting to note the items of information in this category. They are: Budgeting, Record Keeping, Social Security, Investments, Use of Money, Banking, Wages, and Consumer Buying. With the possible exception of Wages, these are all items that one would expect to learn a great deal about from personal experience. With the exception of Wages they are all microeconomic items.

The elements that received rather low "personal experience" percentages (15.0 or below) are: Economics of Taxation, Government as a Business Enterprise, Government Borrowing and Creation of National Income, Government Regulation, Business Cycles, Production, Automation, Economic Fluctuation, Technological Progress, World Trade, and International Economic Policy. These elements are all macroeconomic elements.

There was a tendency for more of the respondents to consider the microeconomic elements of information as appropriate for obtaining from personal experience and fewer of the respondents to consider the macroeconomic elements as appropriate for obtaining from personal experience. This is quite logical in view of the distinction between the two types of information.

In general, not so many respondents checked the other category as they did the personal experience category. Only one of the elements received an "other" rating higher than 25 per cent. This was Agriculture with a percentage of 26.4. Several elements received "other" ratings between 22.7 and 25 per cent. They are: Economic Systems, Use of Money, World Trade, Social Security, Division of Fruits of Production, and Consumer Buying. These items received ratings of 22.7, 23.3, 23.5, 23.9, 24.6, and 24.7 per cent, respectively.

Four of these items with ratings of 22.7 per cent or higher might be classified as Economic Principles elements, one is a Money Management element, one is a Consumer Spending element, and one is a Business Organization element. Of these seven elements, five are macroeconomic and two are microeconomic in nature. Considering the greater total number of macroeconomic elements, there seems to have been no tendency for respondents to check the other category more for either the micro or the macro elements.

The items that received "other" ratings resulting in percentages lower than 15.0 are: Money, Operation of Our Legal System, Business Communication, Business Profits, Government as a Business Enterprise, and Business Cycles. Three of these items are in the Economic Principles subject matter classification, one relates to Consumer Spending, one is a Communication item, and one is a Business Organization item. Of the six, four are macroeconomic and two are microeconomic in nature. There seems to have been no tendency for respondents to check either the micro or the macro elements more than the other.

Since relatively few respondents indicated that essential business and economic information should be obtained from sources other than the college and the secondary school, it is evident that these are the two sources of significance to this study. Table 2 reveals that a substantial number of respondents believed that certain of the information should be obtained in college, Also, the table reveals that a significant number believed that certain of the information should be obtained in the secondary school.

Business and Economic Information Appropriate for Study in College

Table 3 was developed to show explicitly the business and economic information that a significant majority of the respondents in this investigation believed to be most appropriate for study in college. To facilitate interpretation, the items included in Table 3 were selected on the basis of two criteria: (1) they were believed to be essential by 70 or more of the 100 respondents and (2) they are the items which 70 per cent or more of the respondents indicating a rating of "essential" believed should be studied in college.

There were 15 elements that received ratings on both criteria sufficiently high to justify their inclusion in Table 3. An examination of these elements reveals that four of them are primarily microeconomic in nature and 11 are macroeconomic.

The four micro elements are Taxation, Investments, Operation of Our Legal System, and Insurance. Of all the micro elements considered in this study, the information involved in these four probably is the most difficult for students to master. Therefore, it is logical that such information should be studied at the college level. Also, the nature of the information is such that those people who attend college probably need a more thorough understanding of it than do those who do not attend college.

Since there are so many more macro than micro elements listed in Table 3, one can safely assume that there was a tendency for respondents

TABLE 3

BUSINESS AND ECONOMIC INFORMATION WHICH RESPONDENTS BELIEVED CAN BE MOST APPROPRIATELY OBTAINED IN COLLEGE*

Questionnaire Item Number	Element of Information	Frequency of Essential Rating	Frequency and Per Cent of Responses Indicating that Information Should Be Obtained In College	
			Frequency	Per Cent of Those Who Rated Element Essential
1	Economic Systems	97	83	85.6
5	Economics of Taxation	92	75	81.5
38	Taxation	91	64	70.3
2	Government as a Business Enterprise	90	76	84.4
26	Investments	90	71	78.9
16	Operation of Our Legal System	89	72	80.9
24	Labor	85	60	70.6
6	Insurance	82	68	82.9
15	Capital	82	66	80.5
12	Consumption	76	55	72.4
27	Government Borrowing and Creation of National Income	76	66	86.8
32	Relations of Economic Groups	76	62	81.6
39	Business Profits	76	67	88.2
13	Government Regulation	73	61	83.6
14	Business Enterprise	73	63	86.3

*Seventy per cent or more of the respondents believed all of the elements in this table to be essential. Seventy per cent or more of those who rated them essential believed the pertinent information should be obtained in college.

to believe that the business and economic information that is studied in college should be primarily macro in its nature. There is little doubt that information of the macroeconomic type is more difficult to comprehend and normally requires a more mature mind for mastery than does most of the information classified as micro.

Eleven of the elements of information in Table 3 were believed appropriate for study at the college level by more than 80 per cent of the people who rated them "essential." It is perhaps significant that the item Economics of Taxation, a macro item, and Taxation, a micro item, were judged essential by 92 and 91 per cent of the respondents. The same two items were believed to be appropriate for college study by 81.5 and 70.3 per cent, respectively, of the respondents who rated them "essential."

Twenty-four of the 39 informational elements did not fulfill the two criteria for listing in Table 3. Of these 24 elements, 12 were considered appropriate for study in college by 70 per cent or more of those who rated them "essential." In several instances, an extremely high percentage of the respondents who considered information to be essential believed that it should be studied in college. International Economic Policy received a rating in this category of 100 per cent and Business Cycles received a rating of 97 per cent. It is obvious that there was a strong tendency in the case of items that received relatively low "essential" ratings to be considered appropriate for study in college by those who did rate them "essential."

Business and Economic Information Appropriate for Study in the Secondary School

Table 4 was developed to show explicitly the business and economic information that a significant majority of the respondents in this investigation believed to be most appropriate for study in the secondary school. To facilitate interpretation, the items included in Table 4 were selected on the basis of two criteria: (1) they were believed to be essential by 70 or more of the 100 respondents and (2) they are the items which 70 per cent or more of the respondents indicating a rating of "essential" believed should be studied in secondary school.

All but one of the items in this table have "essential" ratings above 80. The one below 80 is Money, with a rating of 79. Only three of the items were believed appropriate for study in the secondary school by more than 80 per cent of those people who rated them "essential." This is quite different from the situation that exists in the case of those items found to be appropriate for study in the college. Of those items, it will be remembered, all but four were believed appropriate for college by more than 80 per cent of those who rated them "essential."

Of the 14 elements of information included in Table 4, eight are microeconomic and six are macroeconomic in nature. Since there are more macro elements in the questionnaire than there are micro elements, it may again be noted that respondents tended to indicate micro information as most appropriate for study in the secondary school.

TABLE 4

BUSINESS AND ECONOMIC INFORMATION WHICH RESPONDENTS BELIEVED CAN BE MOST APPROPRIATELY OBTAINED IN SECONDARY SCHOOL*

Questionnaire Item Number	Element of Information	Frequency of Essential Rating	Frequency and Per Cent of Responses Indicating that Information Should Be Obtained In Secondary School	
			Frequency	Per Cent of Those Who Rated Element Essential
1	Economic Systems	97	81	83.5
36	Budgeting	96	82	85.4
17	Record Keeping	92	83	90.2
21	Social Security	92	68	73.9
2	Government as a Business Enterprise	90	68	75.6
29	Use of Money	90	70	77.8
16	Operation of Our Legal System	89	64	71.9
33	Credit	89	65	73.0
34	Banking	89	67	75.3
11	Wages	87	64	73.6
3	Credit Services	86	66	76.7
24	Labor	85	64	75.3
25	Consumer Buying**	81	56	69.1
8	Money	79	56	70.9

*Seventy per cent or more of the respondents believed all of the elements in this table to be essential. Seventy per cent or more of those who rated them "essential" believed the pertinent information should be obtained in the secondary school.

**There seems to be no agreement concerning where this information should be obtained. Since more people indicated that it should be obtained in the secondary school than anywhere else, the item is being placed in this category.

Business and Economic Information Appropriate for Study in Both the College and the Secondary School

There were four business and economic informational elements that a large majority of respondents believed should be studied both at the college level and the secondary school level. These elements appear in Table 5 which was developed for the explicit purpose of emphasizing these particular elements. Therefore, Table 5 includes those topics that appear both in Table 3 and in Table 4.

Of the four items in Table 5, Economic Systems, Government as a Business Enterprise, and Labor are macroeconomic elements. Only one element, Operation of Our Legal System, is micro in its nature.

All but one of the items were believed more appropriate for college study than for secondary school study. Labor was the only one of the four that a greater number of respondents indicated to be most appropriate for study in the secondary school.

It is significant that there were only three other macroeconomic elements in addition to those appearing in Table 5 that appear in Table 4. In addition to the one micro element in Table 5, there are three that appear in Table 3. Thus, there seems to have been a tendency for respondents to believe that those macro elements that are appropriate for the secondary school are also appropriate for college. Also, there was a tendency for respondents to believe that those micro elements which are appropriate for study in college are not appropriate for study in the secondary school.

It is evident from the data presented in this chapter that a large majority of the respondents believed that study of elements of

TABLE 5

BUSINESS AND ECONOMIC INFORMATION WHICH RESPONDENTS BELIEVED CAN BE MOST APPROPRIATELY OBTAINED IN BOTH COLLEGE AND SECONDARY SCHOOL*

Questionnaire Item Number	Element of Information	Frequency of Essential Rating	Frequency and Per Cent of Responses Indicating That Information Should Be Obtained In: College		Secondary School	
			Frequency	Per Cent of Those Who Rated Item Essential	Frequency	Per Cent of Those Who Rated Item Essential
1	Economic Systems	97	83	85.6	81	83.5
2	Government as a Business Enterprise	90	76	84.4	63	75.6
16	Operation of Our Legal System	89	72	80.9	64	71.9
24	Labor	85	60	70.6	64	75.3

*Seventy per cent or more of the respondents believed all of the items in this table to be essential. Seventy per cent or more of those who rated them "essential" believed the pertinent information should be obtained in college and 70 per cent or more of those who rated them "essential" believed the pertinent information should be obtained in the secondary school.

business and economic information is essential for all people. Of the respondents who believed various elements to be essential, a large majority believed some of them to be appropriate for study at the college level and a large majority believed some of them to be appropriate for study at the secondary school level. A few of the elements were considered appropriate for study both at the college and the secondary school levels.

The information presented in this chapter has dealt only with the nature of business and economic information deemed essential and the appropriateness of gaining such information from various sources. This information would have little usefulness unless associated in some manner with how business and economic elements should be inserted in the curriculum. Of particular significance here is how such information should be handled at the college level. In Chapter 4 of this report, evidence is presented relative to the various methods of including essential business and economic information in the programs of college students.

CHAPTER IV

METHODS OF INCLUDING BUSINESS AND ECONOMIC INFORMATION IN GENERAL EDUCATION PROGRAMS

Thus far in this study primary attention has been devoted to consideration of the importance of various elements of business and economic information as general education. In this chapter an attempt is made to examine methods by which those elements found to be essential for all college students can and should be included in general education programs. The basic data for this purpose were obtained by means of a search of available literature in which there were reports of college general education programs that include business and economic information. Also used for this purpose was the information obtained by submitting Part II of the questionnaire to the 100 respondents selected for this study. The questionnaire is presented as Appendix B.

Basic Methods of Including Business and Economics in General Education Programs

In general, it appears that there are two basic methods of including business and economics in general education programs: (1) integration or fusion of business and economic information with information from other fields of learning into one or more courses with general education objectives or into many different courses taught in separate departments in a college or university and (2) offering of one or more special courses devoted exclusively to consideration of business and economic information for general education purposes. Naturally, there are a number of different techniques that can be used to facilitate either of the two methods.

As an indication of various ways in which instruction involving business and economic information may be expedited, Keiser[1] discusses four techniques which may appropriately be referred to as: (1) the "fusion" technique, (2) the "integration" technique, (3) the "required course" technique, and (4) the "distributional requirement" technique. It appears that the first two techniques indicated by Keiser constitute techniques applicable to the integration or fusion method of teaching. In contrast, the third and fourth techniques fit the pattern of offering instruction in business and economics by means of special course requirements.

The Fusion and Integration Techniques

The fusion technique introduces business and economic content into courses that might or might not be primarily intended for general education purposes. For example, a school might make an effort to involve selected business and economic elements of information in instruction in sociology, anthropology, history, home economics, or any other courses that are logically related. Although this technique is discussed in the literature and is advocated by many business educators and the Joint

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[1]Norman F. Keiser, "The Role of Economics in General Education," _Journal of General Education_, IX, No. 3 (April, 1956), pp. 179-87.

Council on Economic Education[1], little evidence is available to indicate that it is often used. In fact, an extensive search of the literature failed to reveal a single institution that uses the technique other than in an incidental manner. It is, however, no doubt evident that the nature of the technique is such as to make its detection extremely difficult.

It is perhaps fortunate that the fusion technique is not employed on too wide a scale. Unless it is done with a specific plan of attack by qualified individuals, the results are likely to be haphazard. Even when such introduction of material is deliberate and preplanned, it can leave the student with no more than a cursory view of business and economics and with little real understanding of economic processes and analysis.

The technique of including business and economics in general education programs that appears most often in the literature is the integration technique. The integration technique is that whereby business and economic information is integrated in some manner with material from other areas of learning. The integrated material then becomes the basis for a course or courses that constitute a core in the social sciences that is required of all students. This technique allots a specified amount of time to the economic aspects of human behavior or utilizes the analytical and descriptive approaches to economics along with the other social sciences to attack certain problems within or without an integrative pattern. Certain institutions have developed courses on the hypothesis that subject matter should not be segmented into rigid homogeneous groupings in the teaching process but should be taught in a

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[1]A non-profit educational organization created to assist school systems and teacher education institutions in improving the quality of social and economic education.

way designed to reveal the relationships of various fields of learning with one another.

Practically all colleges and universities that have developed integrated courses in the social sciences have developed them through the cooperative efforts of their own faculty members. As a result, the approach in each case tends to be unique and usually reflects the individualism of the faculty that developed it. In most cases, professors from the various social sciences (economics, psychology, anthropology, sociology, history, and so forth), working as a committee, have woven together information from their respective fields into a meaningful whole. In other cases, faculty members from the social sciences have worked with others from philosophy, literature, science, and the arts in the development of an integrated study of a particular culture or era.

Typical of the exclusively social science integrated programs are those at the University of Chicago, the University of North Carolina, Moorhead State Teachers College, Boston University, and Northwestern University.

University of Chicago[1].--One of the first integrated general education programs was that developed at the University of Chicago. In that institution a social science sequence of three courses is offered. The first two courses are largely historical and the final course is a study of contemporary problems of public policy. In the final course, students are encouraged to deliberate rationally on matters of public

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[1]Milton Singer, "The Social Sciences Program in the College of the University of Chicago," Journal of General Education, II (April, 1948), pp. 251-8.

policy with the help of subject matter from political science, political economy, practical sociology, ethics, and social philosophy that deals with problems in the choice of means and ends.

At the University of Chicago, no attempt is made to make decisions concerning the desirability and practicability of day-to-day policies. Rather, through the use of well-prepared specimen cases which raise fundamental issues of policy, an attempt is made to develop practical judgment. The issue of freedom versus control in contemporary society is the underlying principle governing the policy problems studied in the third course. The student is introduced to this issue through a study of the emergence of freedom as a social ideal in the English civil wars and its fate in three centuries of English history. With the help of political, economic, and social analysis, a study is then made of the conditions for preservation of freedom in the contemporary world. Alternative policies for attaining freedom are examined, and the price of these policies in terms of other values appraised.

University of North Carolina[1].--This institution offers a social science survey course for freshmen extending over a period of three quarters. The subject matter of the first and second quarters revolves around the origin and development of political, economic, and social institutions and problems which are the common heritage of the peoples of the Western world. The content includes such elements of modern civilization as European expansion and the problem of imperialism; the rise of urbanism, the middle class, political centralization, and representative

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[1]Cecil Johnson and Carl H. Pegg, "Social-Science Survey Course for Freshmen," The Journal of Higher Education, XI (April, 1940), pp. 213-5.

government; the origin and development of national patriotism; the growth of science and its utilization for the control of the forces of nature; the rise of modern capitalism, the machine process, and mass production; the appearance of modern social and economic problems; and efforts at social control.

The third quarter is devoted to a study of the contemporary period and concentrates upon three basic topics: (1) Recent developments in Europe; (2) Problems immediately facing the United States such as those connected with agriculture and conservation, labor, business, the family, crime, population and race, social security, and American foreign policies; and (3) The status of civilization in the twentieth century. The last topic is essentially a summarization of the interrelation of science, religion, and philosophy in the light of the necessity for innovation and adjustment in contemporary life.

Moorhead State Teachers College[1].--The integrated social studies course at Moorhead State Teachers College provides 12 quarter hours of credit. The subject matter for the course is drawn from sociology, political science, and economics. Some of the topics discussed are: social groups and organization; race problems; crime and its prevention; individual and group economic problems; finance and taxation; wages and unions; making, enforcing, and interpreting laws; liberties, privileges, and duties of citizens; and world government.

Boston University[2].--A course in Political Economy of four credit hours is required of all students at Boston University. This course is

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[1]E. R. Isbell, "General Education in the Teachers' Colleges," Educational Research Bulletin, XXIX (January 18, 1950), pp. 7-13.

[2]Boston University Bulletin, XLIX (November 30, 1960).

divided into three parts. Part I is an introduction to political economy including topics on the importance of geographic, demographic, and technological factors in political and economic behavior; the tasks of production, distribution and control; techniques and myths in political-economic systems; and methodology and the utility of history. Part II deals with economic foundations of society. Included in this part are topics such as characteristics of large scale economy; economic systems and their controls; enterprise and management of production; the monetary system; the market, price, and distribution systems; the national economy in operation; and stabilization and growth. Part III concentrates upon the political foundations of society. Conflict of interests, the struggle for power; the art of politics, freedom and authority, and the role of government are topics explored in this part.

Northwestern University[1].--Two social science courses, Bases of Social Life and Modern Society, are taken in the freshman and sophomore years by students at Northwestern University. Both these courses are taught cooperatively by groups of faculty members. In the second course, Modern Society, the characteristics of modern society and its development in historical perspective are considered. Topics from the modern world such as the American and French Revolutions, the Industrial Revolution, nationalism, the expansion of Europe, and the outstanding characteristics of twentieth century life are then developed. Later, a survey is made of some of the outstanding problems of the modern world--the

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[1]Melville J. Herskovits, "The Social Science Units of the Northwestern University Liberal Arts Program," Journal of General Education, I (April, 1947), pp. 216-23.

causes of war and their possible elimination; international organization; the chief economic problems associated with capitalism and modern industrialism; urban life and its complexities; the individual and his adjustment in modern life; and the problem of democracy and what it means in economic, social, and political terms.

In only a few cases has material from the social sciences been integrated with material from other fields of learning in the development of core courses for general education purposes. This statement is not designed to imply that there is no need for that type of course. Rather, obstacles are usually so great that it is almost impossible to create such an offering. It is difficult enough to get people from the social sciences together to develop a common course but it is even more difficult to bring together people with such diverse interests as the arts, the sciences, and the social sciences. Examples of institutions where such a feat has been accomplished are: Muskingum College, Harvard University, Bates College, and Amherst College.

Muskingum College[1].--The integrated course at Muskingum College is World Civilizations and is offered for ten semester hours of credit. Basically, it is a pluralistic approach to the historical development and contemporary structure of world civilization. In the course, a broad analysis is made of economic, social, political, religious, and intellectual elements in their historical and cultural contexts. The heritage and present problems of Western civilization receive major emphasis, but sufficient time is devoted to non-Western traditions to provide a basis

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[1]Muskingum College Bulletin, LII (March, 1960).

for cultural comparison. A primary objective of the course is to increase the student's awareness of his own value system.

Harvard University[1].--At Harvard University, all students take a course in Western Thought and Institutions. Principal emphasis is placed upon the evolution of such institutions as representative government and the reign of law; the impact of the Reformation upon society, government, religion, and philosophy; the growth of religious toleration; the development and nature of the natural-rights philosophy; the growing confidence in the power of reason to deal with human problems; the expansion of humanitarianism; the rise of the laissez-faire philosophy and its relation to the economy of the preindustrial age; and the impact of the technological revolution upon industrial organization, the growth of populations, and social and economic legislation.

Bates College[2].--Another college that has developed a course involving integration of content from the social sciences and other fields is Bates College. The course is Cultural Heritage and is offered for four semesters in the junior and senior years. It is designed to enable students to weave together the threads of philosophy, literature, science, politics, economics, and the arts that have produced our Western European civilization.

Amherst College[3].--The integrated course at Amherst College is required of all sophomore students and its content is developed each

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[1]"General Education at Harvard University," Higher Education, VIII (January 15, 1952), pp. 116-7.

[2]Charles F. Phillips, "General Education at Bates College," School and Society, LXXII (September 23, 1950), pp. 197-201.

[3]George R. Taylor, "Meeting the Social Studies Where They Are," Journal of Higher Education, XXIII (February, 1952), pp. 68-74.

year around 12 problems in American civilization. Eight of these problems are historical and four are contemporary in nature. The content is selected in terms of significant problems--those which have given rise to controversy and honest disagreement. Even relatively small problems are studied if they have broad implications. New problems are prepared each year. A typical year's program might include such topics as Puritanism in Early America; the Declaration of Independence and the Constitution; the Transcendentalist revolt against materialism; slavery as a cause of the Civil War; John D. Rockefeller--robber baron or industrial statesman; the Turner thesis concerning the role of the frontier in American history; pragmatism and American culture; the New Deal--revolution or evolution; the place of loyalty tests in our democracy; industry-wide collective bargaining; national health insurance; and American aid to Western Europe.

Because of the tremendous amount of work involved in the development of an integrated course, most of those which have been developed have also been discussed in the literature. Therefore, one is likely to gain the idea that these courses are offered extensively. It is perhaps significant to note that the integrated courses discussed here deal with business and economic information almost exclusively from the macroeconomic point of view.

The Required Course and Distributional Requirement Technique

The required course technique results in the establishment of a requirement of a specified number of hours or specified courses to be taken in business and economics. Therefore, by using this technique it is assured that all students will be subjected to some business and economic information. Among the schools that utilize the required course technique of including business and economic information in their general education programs are Stephens College, Fullerton Junior College, United States Air Force Academy, and Massachusetts Institute of Technology.

Stephens College[1].--At Stephens College, twelve credit hours of study in business and economics are required as general education. The courses included in this block are Family Consumer Problems, Personal and Family Investments, and Contemporary Social Issues. The first two carry three hours of credit each and the last one carries six. The objective in the Family Consumer Problems course is to develop in students the ability to make intelligent decisions as consumers of goods and services which will be offered to their future families. The following are the major topics considered: the role of finance in the family relationship; the development and execution of the family financial plan; the responsibility of parents for developing in their children a sense of perspective with regard to money; the exercise of intelligent consumer choice and good consuming habits, and the impact of modern advertising and merchandising techniques; the influence of private and public consumer protection agencies in promoting and protecting the consumer interest; the proper use of discount stores and trading stamps; the purchase of a variety of consumer goods; the cost of owning and operating a family car; the selection of economical foods to supply the family's nutritional needs; the purchase of an adequate, reasonably priced wardrobe for the family; and the intelligent use of consumer credit.

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[1] Stephens College Bulletin, XXXIX (October, 1960).

The second course, Personal and Family Investments, is a continuation of Family Consumer Problems. The basic topics covered in it are: the selection of realistic family goals to fit the family; analysis of threats to family economic securities; how to protect oneself against financial threats through life insurance, disability insurance, health and medical insurance; owning a house as an investment; planning an investment program; using sources of investment information; interpreting financial pages of newspapers; the security markets; buying and selling securities; personal income taxes and taxation of investments; estate planning and wills; and a sensible investment philosophy.

The Contemporary Social Issues course taught at Stephens College is an integrated course of the type already discussed. Material from the fields of government, sociology, economics, and international relations are studied in it.

Fullerton Junior College[1].--Fullerton Junior College offers a course in Personal Finance. It is concerned with those personal financial problems which are included under the heading of inflation and business cycles; commercial and savings accounts; budgets, charge accounts, installment buying and borrowing money; property, income, estate, inheritance, and gift taxes; property, health, accident, life and miscellaneous insurance; pension plans and social security; owning a home; starting a business; investing in securities; and trust funds and wills.

United States Air Force Academy[2].--Five credit hours of economics are required at the United States Air Force Academy. These hours must

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[1]B. Lamar Johnson, General Education in Action, Washington, D. C.: American Council on Education, 1952.

[2]United States Air Force Academy Catalog, I (May, 1960).

be selected from World Geography, Elements of Cartegraphy, and Economic Principles and Problems. The Economic Principles and Problems course emphasizes principles and problems applicable to the mixed enterprise system of the United States. It is developed on the basis of such topics as the institutions and behavior patterns of the various economic sectors represented in the national product; the theory and mechanics of national income determination, fluctuation, and stabilization; the role of pricing; the effects of supply and demand upon prices; current pricing practices in the United States; international trade; the elements of our economic conflict with the USSR; the economic foundations for United States security; and alternative approaches to solution of basic economic problems.

In addition to the five hours of economics that are required, students might select two and a half hours from enrichment courses. Three economics courses are included among the enrichment courses that may be selected to fulfill the elective requirement. These courses are: Introduction to Investments, Comparative Economic Systems; and International Economics.

Massachusetts Institute of Technology[1].--At the Massachusetts Institute of Technology, all juniors must take an introduction to economics course in the first term. In addition, they must choose an elective from psychology, labor relations, or economics.

A technique somewhat similar to that involving specific required courses is the distributional requirement technique. It is

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[1]John Ely Burchard, "The Humanities and Social Sciences in a Technological Education," Journal of General Education, II (April, 1948), pp. 171-8.

used by some institutions which aim at exposing the student to a broader perspective by requiring him to take a certain number of elective courses in such areas as the humanities, the natural sciences, the social sciences, and so forth. Normally, business and economics courses are considered to be social science courses and under this technique would be made available as electives to satisfy a social science requirement. Such a technique does not, therefore, guarantee that a student will take some work in business and economics. Ohio University, Florida State University, and Barnard College are schools that use this method.

Ohio University[1].--One year of study in each of two of the fields of humanities, mathematics, natural sciences, and social sciences must be completed by students at Ohio University. Principles of Economics is offered in two courses available as possible electives to fulfill the social science requirement. The first course involves the basic theory and economic analysis of prices, markets, production, wages, interest, rent, and profits. The second course is concerned with the economic problems and economic institutions of society. Among the problems analyzed are labor unions, money and banking, taxation, public utilities, international trade, business cycles, and agriculture.

Also available as an elective at Ohio University is a course in Personal Finance. It is a two-hour course dealing with such topics as how to get the most for one's money, insurance, taxes, budgets, stocks and bonds, purchase of a home, borrowing money, investing money, and so forth.

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[1]Ohio University Bulletin, LII (January, 1956).

Florida State University[1].--At Florida State University, from six to 12 hours of work in social science and up to six hours of work in personal development are required. One of the choices to fulfill the social science requirement is Principles of Economics. This course covers the principles of supply and demand, national income determination, and the application of these principles to selected areas of public policy.

Home and Family Life can be elected as a personal development course. It deals with the use of available personal and family resources--human and material--to achieve more satisfying individual and family living.

Barnard College[2].--Three economics courses are among the possible choices to fulfill a full year's social science requirement at Barnard College. The courses are Introductory Economics, Labor Economics, and Comparative Economic Systems. Introductory Economics involves study of the institutions and forces affecting the stability and growth of income and employment. Topics covered include business and labor organizations, national income and its determination, economic theory, economic fluctuations, monetary economics, government finance, international economic relations, and the problems of underdeveloped countries. Labor Economics deals with the historical and theoretical approaches to the labor movement and the collective bargaining process. The last course, Comparative Economic Systems, is a description of the economic problems of the United

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[1]Florida State University Bulletin, LII (January, 1959).

[2]Columbia University Bulletin, XVI (April 2, 1960).

States, England, and Russia, and a comparison of the economic organization of these countries.

Thus far in this chapter an examination has been made of various techniques that are being used to include business and economics in general education programs. A study of these techniques will reveal that the fusion and integration techniques deal almost exclusively with macroeconomic informational elements. The required course and distributional requirement techniques, however, involve both macroeconomic and microeconomic elements of information. This is indicative of the fact that macroeconomic information can be more easily related to other fields of learning than can microeconomic information.

In one respect the integration technique discussed in this chapter is similar to the required course technique in that integrated courses are almost always required courses. However, the integration technique is sufficiently different in course content to warrent a different classification from that of the required course technique.

The remainder of the chapter is devoted to consideration of the opinions of respondents in regard to how business and economic information should be placed in general education programs.

Opinions of Respondents in Regard to Including Business and Economics in General Education Programs

It was recognized from the beginning that respondents would not be fully aware of the educational implications of including business and economics in general education. However, it was believed important to obtain a general idea of how the 100 respondents believed it might best be done. Accordingly, Part II of the questionnaire that was developed for the purposes of this study was designed to obtain the opinions of respondents relative to means for providing essential business and economic information in the college general education program. The respondents were instructed to complete this section only if they deemed some of the elements included in Part I to be essential for all people and only if they believed that some of the essential information should be taught in college. All of the respondents indicated that they believed at least a few of the elements of business and economic information were essential and should be studied by college students. Therefore, all of the 100 responses to Part II were used.

The first question in Part II was designed to determine which of the two basic methods that were discussed at the beginning of this chapter the respondents believed to be more effective. The question asked of respondents was, "How do you think that information specified as essential should be included in the programs of college students?" The question could be answered by checking one of the two statements that were presented. These statements were: (1) by fusion into several courses offered in the college or university and (2) by special courses provided for such purposes.

Of the 100 respondents to the study, 55 indicated that essential business and economic information should be fused into several courses offered in the college or university. The remaining 45 indicated that such information should be provided through special courses to fulfill general education purposes. Thus, there seems to have been no real agreement among respondents in regard to which of the two basic methods should be used. Even though a majority indicated that the fusion or integration method should be used, the majority was so slight that it cannot be considered significant.

Ordinarily, when the fusion or integration idea is discussed, no effort is made to outline specifically the exact procedure that should be followed in fusing or integrating business and economic information into various courses. Naturally, such an effort would be a tremendous undertaking and would probably result in a plan that would be illogical for certain schools. The exact plan that is used in order to comply with this method must necessarily depend upon many factors. Some of the factors that would have to be considered are: (1) the organizational structure of the institution, (2) the receptiveness of the faculty of the institution to the idea of general education, (3) the degree to which the faculty believes in the importance of business and economics as general education, (4) the existence of a general education framework consistent with the fusion method, (5) the specific courses that are taught in the institution that are logically related to business and economics, (6) the overall purposes of the institution and the specific purposes of the general education program, and (7) the educational and experience backgrounds of the faculty.

Because of the many variable factors involved in the development of a plan for fusing business and economic information into other courses, such a plan should best be especially designed for a particular school. Also, the plan should be changed periodically to keep pace with changes in faculty, organizational structure of the institution, and other factors relevant to the design of the plan. It follows, then, that any effort to develop a plan that would be applicable universally would be superficial. Therefore, no effort was made in this study to determine what respondents believed the detailed nature of such a plan should be.

The second question did deal, however, with what the broad, general nature of the fusion method should be. This question was designed to be answered only if respondents believed the fusion method should be used. It asked respondents to indicate whether business and economic information should be: (1) fused into many courses offered throughout the college or university or (2) fused into several basic business courses.

Of the 55 respondents who indicated that the fusion method should be used; 18, or 32.7 per cent, believed that business and economic information should be fused into many courses offered throughout the college or university. Several of these respondents, in written statements, expressed the opinion that such a procedure would be the most logical because in that way business and economic information could be related to sociology, anthropology, psychology, and other fields of learning and thus would be more meaningful to students. One respondent, in choosing this procedure, stated that she disliked the idea of required courses but was afraid many students would not choose courses in the area of business and economics as electives. She stated that by placing essential information in many different courses, all students would be exposed to the information in one form or another.

One respondent indicated that business and economic information should be included in general education programs in two different ways. In a written statement on the questionnaire he stated that essential information should be fused into many different courses in the college or university and also into a required social science integrated course. He suggested that the required course might be called "American Institutions."

Thirty-seven respondents, or 67.3 per cent of the 55 who believed the fusion technique should be used, expressed the belief that essential information should be fused into several basic business courses. Implicit in this procedure is the idea that the business and economic information believed to be essential for all should be blended with other business and economic information of a more technical nature. Thus, more traditional business and economic courses would be used for such purposes. Typical of thinking in this regard was the statement by one respondent to the effect that the essentials could be covered in about four courses--Economic Systems, Introduction to Business, Simplified Accounting, and Government and Business.

There are at least two basic problems involved in such an approach, however. In many instances students would not be able to allot enough of their total college program to the study of business and economics to permit a comprehensive coverage of the essential elements. Under this approach, students might study much information that they would use to only a limited extent. Also, the emphasis in these basic business courses might be inconsistent with desirable general education principles since the courses are taught primarily for other purposes.

If respondents indicated that special courses should be developed for general education purposes, they were requested to indicate whether the special courses should be elective or whether they should be required. Of the 45 respondents who indicated that special courses should be developed; 35, or 77.8 per cent, believed that the courses should be required. Ten of the respondents, or 22.2 per cent, believed the courses should be elective.

As has been pointed out before, a basic assumption in the special course method is that courses are developed that meet the needs of all students instead of the peculiar needs of any specific group. Such courses would presuppose limited prior study of business and economics and would not assume that students would do further study in the area. One respondent made the statement that he believed all essential items could be blended together into one course of from three to six credit hours. Such a course, he added, should be general and non-technical in character.

The fifth question in Part II was specifically directed to those respondents who indicated that special courses should be required. The question asked if the required courses should be required of all students or required of some students. It is significant that 33, or 94.3 per cent, of those who believed that courses should be required also believed they should be required of all college students. Two respondents, or 5.7 per cent, believed they should be required of only some students.

Of the ten respondents who expressed the belief that special courses should be developed and provided as electives, two believed these courses should be free electives; that is, electives available only to satisfy minimum hour requirements for a degree. This information was obtained by means of the fourth question in Part II of the questionnaire.

Eight respondents indicated that such electives should be made available to satisfy specific subject matter area requirements. Such courses would probably be considered social science courses and could be selected to fulfill requirements in that area. Many schools specify a requirement of a stated number of hours of social science to be selected from a list of specified courses. This procedure corresponds to the distributional requirement technique that was discussed in the first part of this chapter.

Table 6 is designed to serve as a summary of opinions relative to the means by which essential business and economic information should be included in general education programs of colleges and universities. Thus, the table provides in tabular form a presentation of all the opinions of respondents discussed in this chapter.

It is significant that 82 per cent of the respondents indicated means of including business and economics in general education that would in some way involve business and economics courses. Only 18 per cent indicated means that would not involve business and economics courses.

This entire chapter has been concerned with the means by which that business and economic information found to be essential for all college students can best be included in the college general education program. The primary emphasis has been placed upon the techniques that are being used by various colleges and universities in the United States for providing business and economics as a part of the general education program. In addition, consideration was given to the opinions of respondents to this study relative to the methods that should be used.

It has been found that there are two basic methods that are being used for including business and economics as a part of general education. One of these methods involves the fusion or integration of business

OPINIONS OF 100 RESPONDENTS RELATIVE TO THE MEANS BY WHICH ESSENTIAL BUSINESS AND ECONOMIC INFORMATION SHOULD BE INCLUDED IN GENERAL EDUCATION PROGRAMS OF COLLEGES AND UNIVERSITIES

Means of Including Business and Economics in General Education Programs	Frequency and Per Cent	Total
1. By fusion into several courses offered in the college or university:		
a. Fusion into many courses offered throughout the college or university.	18	
b. Fusion into several basic business courses.	37	55
2. By special courses provided for such purposes:		
a. Free elective courses to satisfy minimum hour requirements for a degree	2	
b. Elective courses to satisfy specific subject matter area requirements.	8	
c. Courses required of all college students . .	33	
d. Courses required of some college students. .	2	45
		100

and economic information with information from other areas of learning into a program of study. The other method involves the study of business and economic information through a course or courses specifically designed to provide such information.

A study of the opinions of respondents revealed that there was no tendency for them to advocate any particular method or technique of including business and economics as a part of general education. Therefore, it might be assumed that plans for the general education study of business and economics should be developed to fit the needs of individual schools. Such plans should be built upon the basis of a consideration of a great many variable factors relevant to the study of business and economics.

CHAPTER V

SUMMARY AND CONCLUSIONS

Restatement of Problem

The problem of this study was to isolate and define the business and economic information which should constitute a part of the general education offered for all students in colleges and universities and to give consideration to ways and means of providing this kind of education. The solving of the problem involved two significant aspects: (1) a determination of whether or not any business and economic facts, principles, and concepts are particularly appropriate for study as a part of a college general education program and (2) a determination of the means by which business and economics can best be studied in a college general education program.

To make the determination, several basic procedures were followed. First, an analysis of related research was made to serve as a means by which information could be collected for use in the development of a questionnaire. This questionnaire was divided into two parts. Part I contained a number of business and economic elements of information that had been found through research to be important for all people. Respondents who completed the questionnaires indicated whether or not they believed each of the elements to be essential or nonessential for all people or if they had no opinion in regard to the elements. If they indicated that the elements were essential, they then indicated the source or sources from which the information should be obtained.

Part II was designed to determine the opinions of respondents relative to how that business and economic information they deemed to be a necessary part of a college general education program should be studied by college students. As such, this part was designed to be answered only if respondents indicated certain information to be essential for all and only if they indicated that the information should be obtained in college.

Respondents to the study were selected from among the alumni, faculty, and administrators of Oklahoma City University. One hundred respondents were used for the purposes of this study. Each of the 100 respondents was contacted personally at which time the questionnaire and accompanying materials were presented to him and an explanation of the study was made. Each respondent was then asked to complete the questionnaire at his convenience and mail it to the author.

A study of published reports of general education programs in a number of colleges and universities in the United States was then made. This study was made for the purpose of determining the various means being used to include business and economics in general education programs.

Summary of Findings

After a thorough study of related research and textbook materials in the area of business and economics, it was concluded that 35 broad elements of business and economic information might be considered to be important for all people. These 35 elements were classified under five major subject matter classifications:

Economic Principles

Economic Systems	Government Regulation
Government as a Business Enterprise	Division of Fruits of Production
Business Cycles	Social Security
Economics of Taxation	Price Determination
Competition	Technological Progress
Money	Government Borrowing and Creation of National Income
International Economic Policy	
Wages	
Consumption	

Money Management

Credit Services	Credit
Insurance	Banking
Investments	Taxation
Use of Money	

Consumer Spending

Operation of Our Legal System	Consumer Buying
Record Keeping	Budgeting

Communication

Transportation	Business Communication

Business Organization

Business Enterprise	Production
Capital	Relations of Economic Groups
Labor	Business Profits
Agriculture	

The elements presented here were incorporated in Part I of the questionnaire that was used in this study.

One of the most significant aspects of this investigation was the examination of the data secured through use of Part I of the questionnaire. It was found that most of the business and economic elements used in this study were deemed to be essential by a large proportion of the respondents. Only one element was considered to be essential by less than a majority of the respondents. Twenty-five of the elements were deemed to be essential by 70 per cent or more of the respondents to the study.

It was found that relatively few respondents indicated that essential business and economic informational elements should be acquired from personal experience and other sources. All of those elements that were deemed essential by a large proportion of the respondents were also believed appropriate for study in college by a large percentage of those who checked them as essential.

Particularly significant to this study is the fact that of the 25 elements that were deemed essential by 70 per cent or more of the respondents, 15 were considered appropriate for study in college by 70 per cent or more of those who considered them to be essential. The elements in this category are: Economic Systems, Economics of Taxation, Government as a Business Enterprise, Labor, Capital, Consumption, Government Borrowing and Creation of National Income, Relations of Economic Groups, Business Profits, Government Regulation, Business Enterprise, Taxation, Investments, Operation of Our Legal System, and Insurance. The first eleven of these elements are macroeconomic elements; that is, elements that have implications for the broad functioning of our economic structure. The last four are microeconomic in nature. Microeconomic information is that that pertains to economic problems revolving around the individual and the family.

Of the 25 elements of information that were deemed essential by 70 per cent or more of the respondents, 14 were deemed appropriate for study in the secondary school by 70 per cent or more of those who considered them to be essential. These elements are: Economic Systems, Social Security, Government as a Business Enterprise, Wages, Labor, Money, Budgeting, Record Keeping, Use of Money, Operation of Our Legal System, Credit, Banking, Credit Services, and Consumer Buying. The first six of these elements are macroeconomic elements and the last eight are microeconomic in nature.

Four elements of business and economic information were judged to be appropriate for study in both the college and the secondary school by 70 per cent or more of those who indicated them to be essential. Elements in this category are: Economic Systems, Government as a Business Enterprise, Labor, and Operation of Our Legal System. Of the four, the first three are macro elements and the last one is a micro element.

Another very important aspect of this investigation was a study of the methods by which essential business and economic information might be included in the college general education program. It was found that some colleges and universities in the United States include business and economics as a part of their general education programs. They do this through a variety of techniques all of which conform to two basic methods. These methods are: (1) integration or fusion of business and economic information with information from other fields of learning into one or more courses with general education objectives or into many different courses taught in separate departments in a college or university and (2) offering of one or more special courses devoted exclusively to consideration of business and economic information for general education purposes.

The evidence indicates that, of the 100 respondents to this study, 55 believed that essential business and economic information should be fused into several courses offered in the college or university. Of the 55 who expressed this belief; 18, or 32.7 per cent, indicated that such information should be fused into many courses offered throughout the college or university. Thirty-seven, or 67.3 per cent, indicated that essential business and economic information should be fused into several basic business courses.

Thirty-three, or 73.3 per cent, of the 45 respondents who indicated that special courses should be developed to include business and economics in general education also indicated that the special courses should be required of all college students. Two, or 4.4 per cent, believed the special courses should be required of some students; two, or 4.4 per cent, believed they should be free electives; and eight, or 17.8 per cent, believed they should be electives available to satisfy specific subject matter area requirements.

Conclusions

This and other related research studies indicate that there is a significant body of business and economic information that is essential for all people and that should be included as a part of their general education. It may be assumed that a large part of the essential information should be taught in the secondary school to provide those people who do not go to college with basic business and economic facts, principles, and concepts. Also, such information should be taught in the secondary school to provide those students who do go to college with the essential background for further study in the area of business and economics.

On the basis of careful analysis of the findings of this research investigation only, the following conclusions are drawn:

1. Certain of the significant elements of business and economic information should be taught at the college level as general education for all college students. These elements pertain directly to development of understanding of economic principles, business organization, money management, and consumer spending.

2. The major part of the business and economic information studied by all college students should be macroeconomic information; that which is pertinent to the broad functioning of our national and international economic structure. The eleven most essential macroeconomic elements for this purpose are: economic systems, economics of taxation, consumption, government regulation, government as a business enterprise, government borrowing and creation of national income, relations of economic groups, labor, business enterprise, business profits, and capital.

3. While instruction in microeconomic information relevant to the business and economic activities of the individual or family unit may be most appropriate at the secondary school level, it is evident that a limited amount of such instruction is of sufficiently high academic quality to warrent presentation to college students as general education. The four most essential elements of this subject matter are: investments, taxation, insurance, and the operation of our legal system.

4. It is apparent from the analysis of literature and the opinions of college graduates presented in this report that business and economic information should be fused or integrated into a variety of courses and also should be included in certain kinds of special courses at the college level. The evidence is not conclusive as to which method of providing such information is better. It may be concluded that in many colleges and universities the objective of enabling students to gain the business and economic information they need might be achieved fully only if both methods are utilized to ensure that all college students are subjected to instruction that will fulfill at least minimum requirements in this area.

5. While it is generally recognized that education relating to business and economics at the college level is at present almost entirely devoted to education classified as vocational or professional, there is evidence in this study to indicate that certain aspects of business and economics should be made a part of the general education of all college students. Thus, it may be concluded that additional study should be engaged in by those directly concerned in order to determine better ways to expedite and facilitate achievement of both the general education and the professional or vocational objectives.

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APPENDIX A

EXCERPTS FROM DISSERTATIONS USED IN DEVELOPING THE QUESTIONNAIRE

Study by McGill[1]

E. C. McGill interviewed 1,000 people in the State of Kansas and found the following business knowledges, competencies, and skills to be highly important for people in all occupations.

CHOICE OF AN OCCUPATION

How to develop a desirable business personality.
How to apply successfully for a job in one's chosen occupation.
How to identify the opportunities for advancement on the job.
How to recognize chances for advancement on the job.
How to select the best place to train for one's selected occupation.
How to make the occupational choice.
How to locate a job in the vocational area of one's choice.
How to identify the community relationships of one's job.
How to determine personal interests.
What are the beginning and top salaries of chosen occupations.
How to find out about the requirements for entering the vocation of one's choice.
When it is wise to use employment service, or strike out on one's own initiative in locating desirable employment.
How to measure vocational aptitude.

CONSUMER BUYING

How to judge the value of a home that is being purchased.
How to evaluate goods so as to make a wise purchase.
How to read labels so as really to understand the relative quality of the product.
How much does it cost to buy goods on credit, when compared to cash prices of the same merchandise.
How to determine whether or not something is needed at all.
How to identify fabrics in clothing.
What to buy in quantities.
How various food products are graded from poorest to best.
How can the consumer judge the quality of a product purchased.
How to prevent waste of consumer goods.
When to buy second commodities.
How to determine if proper service is obtained from metered services.
How advertising affects the price of goods bought.
How to save consumer goods.
How does the government attempt to protect the consumer through the regulation of advertising and commodity standards.
How do private research agencies attempt to protect the consumer.

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[1]Esby Clifton McGill, "A Study of Business Skills and Knowledges Used by Business and Non-Business People" (unpublished Ed. D. dissertation, New York University, 1955), p. 329.

MONEY

How to make change.
How to choose ways to invest money for future use.
How to carry money when traveling.
How to send money by mail safely.
How to choose places for investing money.
How to determine the best way of investing money for later use.
How to safeguard your money when cashing checks for others.
How to detect counterfeit money.
How to get money when away from home.
How interest is competed on notes.
How to compute bank discount.
How the value of paper money is kept secure.
How money gets its value.
Whether or not it is important to control the volume of money in circulation.

RECORD KEEPING AND FILING

How to make out personal income tax returns.
How to keep records of personal business affairs.
How to keep cash records.
What personal records should be kept.
What personal records and papers should be filed.
How to prepare a statement of income and expense.
What accounting terms mean (such as capital, debit, and credit).
How to make an inventory of merchandise.
How to make a balance sheet.
How to keep social security records.
How to select and set up a personal filing system.
How to make closing entries in bookkeeping.
How to compute self-employment tax.
How to compute interest.
How to use information in accounting records.
How to analyze financial statements of business.
How to use interest tables.

CREDIT

Whether it is wiser to use credit, or to wait until the money for a purchase is available.
The general cost of credit to the person who uses it.
How a person's credit rating is established.
How to protect money you may lend to others.
When it is wise to buy on the installment plan.
The cost of different kinds of credit.
How to determine a person's credit rating.
What factors influence the establishing of a person's credit rating.
How to borrow money on a personal-signature basis.
How to borrow money on a real-estate mortgage basis.
How to open a charge account.

How to borrow money on a chattel mortgage basis.
How government control of credit rates affects inflation or deflation.
How the interest rates that loan companies and banks charge are controlled by governmental agencies.

BANKS AND BANKING SERVICES

How to write personal checks.
How to keep personal deposit and check records.
How to reconcile your check book balance with the bank balance shown by the bank statement.
How to choose the appropriate type of endorsement when endorsing checks.
When to stop payment on checks.
Whether it is best to put surplus money in a savings account, checking account, or in bonds.
How to open a checking account.
What services are available in banks.
When to use travelers cheques.
How much money to carry in a checking account.
How to select loan services.
When to have a check certified.
How to transfer a checking account from one bank to another without loss of banking service.
How to have a check certified.
How to select a safe deposit service.
When to use a bank draft.
When to use a cashier's check.
How to determine the name or names in which checking accounts are opened.
When to use bank money orders.
When you should use certified checks.
How limitations on bank credit restrict business transactions.

BUSINESS MATHEMATICS

How to multiply.
How to add rapidly.
How to subtract rapidly.
How to compute U. S. Income Tax.
How to divide whole numbers and decimals.
How to compute state income tax.
How to figure the amount of income tax due the state.
How to apply fundamental operations to common fractions.
How to apply fundamental operations to decimal fractions.
How to figure the amount of taxes due on personal property.
How to compute per cent of profit on a transaction.
How to compute personal property taxes.
How to compute interest by the 6%, 60-day method.
How to compute depreciation on assets.
How to figure mark-on on merchandise.
How to measure by liquid measuring system.

How to compute measures of distance.
How to figure compound interest.
How to compute measures of land.
How to compute travel charges.
How to compute a laborer's overtime pay.

HOW TO FIND INFORMATION

How to use the dictionary for determining meanings of words.
How to look up a telephone number in a telephone directory.
How to use the dictionary for determining pronunciation.
How to use a telephone directory.
How to use a city directory.
How to use encyclopedieas.
How to use an Atlas for making geographic locations.
How to use consumer guides.
How to use the Readers Guide.

INSURANCE

How to select the appropriate type of life insurance.
How to report an insurance claim.
How to determine if insurance is needed.
What kinds of life insurance are available.
How to file an insurance claim on a loss.
When to buy liability insurance.
What kinds of property insurance are available.
How to provide safeguards against economic risks by use of insurance.
How to arrange a life insurance program.
How to set up your own life insurance program.
Whether insurance is an economic advantage or disadvantage.
How the workmen's compensation insurance laws operate.
How to file a request for benefits from workmen's compensation insurance.

BUSINESS COMMUNICATIONS

How to write letters placing an order for merchandise.
How to write letters of inquiry.
How to write letters of application.
How to label packages.
How to write letters of invitation.
How to write letters of complaint.
When to use the first, second, third, and fourth class mail.
How to write letters of acceptance.
How to write an invitation by letter.
How to write letters of refusal.
How to wrap packages for mailing.
How to write minutes of a meeting.
What special services are offered by the postal service.
How to write collection letters.
When to use special postal services.

How to select appropriate telephone service.
How to send money by wire service.
How to write letters asking for credit.
How to report a treasurer's report.
How to figure postage costs.
How to select telegraphic services.
How to write copy for news releases.

FINANCE AND INVESTMENT

How to select investments that will not lose their value.
When to invest in real estate.
How much money one should have to start a new business.
How to select real estate investments.
How to judge the effect of different business conditions on investments.
How to tell relatively safe stocks and bonds from those with less security.
The various kinds of stocks and bonds in which a person can invest money.
Whether flexible or fixed earnings should be looked for in investments.
When to invest in stocks and bonds.
How new business ventures are financed.
Where to get information about stocks and bonds.
What type of stocks and bonds are available for investment purposes.

TAXES

How to compute sales taxes.
How to figure withholding tax.
How is sales tax money used.
What goes to make up your tax levies.
Whether or not there are tax problems that need adjusting.
How property is appraised for tax purposes.
How tax rates are determined.
What is done with property tax collections.
How tax levies are determined.

LEGAL ASPECTS OF BUSINESS

How properly to meet the liabilities involved in operating an automobile.
How to make a will so as to be sure it carries out its intent.
How to protect interest in property while transferring ownership.
When to use written contracts in business dealings.
What are the legal responsibilities of the parties in employer and employee relationships.
How to know your rights as a consumer when the seller subjects you to unfair business acts.
How courts serve the public welfare.
How to stay within the law in buying and selling goods.
How to have legal documents drawn for transfer of land.

How to protect the rights of those who cannot legally act for themselves.
How to determine legal limitations on a note.
How to have estates probated.
What are the legal aspects of installment buying.
How to select the proper endorsement for negotiable instruments other than checks.
How to determine the liability of minors in business dealings.
How to determine consumers' rights when buyers are subjected to unfair business practices.
How to determine legal procedure in filing a case.
How to recognize legal liabilities growing out of personal dealing between individuals.
How to find out about personal rights when litigation is involved.
How to comply with legal requirements in buyer and seller relationships.
How to establish limit of liability on credit endorsements.
How to determine whether an instrument is negotiable.
How bankruptcy laws affect debtor and creditor relationships.

MANAGEMENT OF BUSINESS AFFAIRS

How to manage the family budget.
How to manage personal financial affairs.
How the policies of business management influence the selling price of goods.
Whether an uncontrolled market is advantageous over a government-controlled market.
What are the problems of small business management.
How managerial policies of a business concern influence the price of merchandise.
How to become prepared for a managerial position in business.
How to meet legal requirements for opening a business.
Whether the economic benefits are greater in a democracy or other type of governmental organization.

PERSONAL BUSINESS SKILLS

How to operate a typewriter so as to type letters, reports, etc., accurately.
How to do bookkeeping by the debit and credit method.
How to use parliamentary procedure in conducting a meeting.
How to operate a mechanical adding machine.
How to interpret charts or graphs found in financial reports.

TRAVEL AND TRANSPORTATION

How to determine the automobile insurance needed when traveling.
How to arrange for safely carrying money while traveling in the United States.
How to insure safe delivery of goods shipped.
How to insure safe delivery of baggages.

How to protect goods being shipped against damage.
How to use automobile credit cards.
How to be sure of travel reservations.
How to recover articles lost during travel.
What to consider when selecting a mode of travel.
How to read travel time tables.
Whether letters of credit should be carried by travelers.
What service can be obtained from a travel agency.
How to determine travel costs by various means.

Study by Overman[1]

Overman submitted a selected list of economic concepts to 268 business executives for evaluation in terms of their importance for all people. He concluded that the following concepts should be known by everyone.

GENERAL NATURE AND BENEFITS OF FREE ENTERPRISE

The American free enterprise system produces a higher standard of living for more people than does any other system.

A free enterprise system must include a free market, open competition, the right to private property, adequate profits and wages as incentives, and minimum regulation (instead of control or ownership) by government.

Individual liberty, as set forth in the Constitution, stimulates the personal initiative essential to the success of the American economic system.

An economic system based on individual freedom and the profit incentive will in the long run use its human and natural resources more efficiently than will a system based on central planning by government.

Civil liberty for the individual and economic freedom for business enterprise are closely interrelated; they are inseparable.

Greater economic security for the individual can be achieved under a competitive system than under socialism or communism.

CAPITAL

Improvements in quantity and quality of man's tools, by increasing productivity, improves his standard of living.

In the long run, the addition of machines in industry creates more jobs and increases real wages.

Personal savings are essential in a free enterprise system; they are required for expanding the facilities needed to increase production.

Greater investment for tools per employee in the United States than elsewhere makes possible the greater output of the American worker.

PRODUCTIVITY

Continuously increasing productivity is the only way to have a continuing rise in the general standard of living.

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[1]Glenn D. Overman, "Basic Economic Concepts About the American Business System Which Business Executives Believe Everyone Should Know" (unpublished doctoral dissertation, Indiana University, 1954).

Workers, individually and as a group, benefit when each worker produces as much as he can.
Division of labor and specialization of effort improve efficiency and result in greater output.

COMPETITION

Competing for customers forces efficiency in production, resulting in continuously improved products and lower prices for consumers.
Monopoly is not widespread in the American economy; most companies compete aggressively in many ways for the consumer's dollar.
In industry, large size does not necessarily mean monopolistic control.
Not only do stockholders benefit from profits, but also workers and consumers benefit from them.
The hope of profit provides incentive for people to risk savings in investments needed to maintain and expand production.
Profits, more effectively than government planning, guide businesses to produce the goods and services that people want.
In business, the possibility of loss, rather than profit, is great--in any average year 4 out of 10 corporations lose money.
Corporation profits in general are reasonable, averaging after taxes only about 5 per cent of sales.
Undistributed profits are needed to maintain and increase production.

WAGES

The true measure of wages is not money income but the goods and services wages can buy.
Any substantial rise in real wages for workers in general can be achieved only through an increase in productivity.
An individual advances and prospers in proportion to the contribution he makes to the success of the business in which he is employed.

PRICES

Prices in a free enterprise system cannot be set arbitrarily by producers because they are determined by supply and demand.
Competition keeps prices fair to consumers in normal times without government price control.

DISTRIBUTION OF WEALTH AND INCOME

Of the total corporation income that can be shared by owners and employees, the total amount received by owners is very small compared to the total amount received by employees.
The ownership of industry in the United States is widely distributed, not concentrated in the hands of a few wealthy people.
Only a small portion of the total national income goes to individuals in the high income brackets.
Redistribution of existing wealth in the United States would not appreciably increase the general standard of living, and might decrease it.

MONEY AND CREDIT

The total money supply is controlled predominently by the amount of bank-credit--not by the supply of currency and coins in circulation.

Increasing the total money supply without a corresponding increase in goods and services does not create prosperity but only creates inflation.

RELATIONS OF ECONOMIC GROUPS

Management, investors, and labor all contribute to production, and all are entitled to a share of the production.

In a competitive system, owners, management, and employees have a mutual interest in reducing costs and satisfying customers.

Division of labor and specialization of industry cause occupational and economic groups to be highly interdependent, making cooperation and compromise among them essential.

ROLE OF GOVERNMENT

A function of government is to insure competition and fair play, not to own, control, or manage any major industry.

Government can give nothing without taking it away from somebody.

Big government tends to regiment business and the individual, to reduce efficiency, and to stagnate production.

ECONOMIC PROBLEMS

A continuing spiral of inflation may bring benefits for a short time to some groups at the expense of others, but in the long run it brings disaster to all.

Deficit financing by government should be resorted to only in cases of extreme emergency, and the public debt should be reduced during periods of prosperity.

The free enterprise system is threatened by creeping socialism--the gradual adoption of socialistic measures.

Cost of government should be reduced by increasing efficiency of operation and reducing nondefense services and expenditures.

The individual, not government, should bear the primary responsibility for his own economic security.

Increasing taxes on business and individual income decreases initiative and reduces new private investment which is essential to maintain full employment.

The right of employees to join or not to join a union should be protected by law.

America must both import and export.

Federal subsidies, consisting of grants of money or its equivalent, ostensibly to aid or encourage private enterprise, are incompatible with the principles of free enterprise.

Patent protection is essential to encourage inventions and the development of new ideas into practical products and services.

Study by Crank[1]

Crank presented a selected list of business and economic facts, principles, and concepts to parents of high school pupils for their evaluation. Those topics found to be essential for all high school pupils are as follows:

BUSINESS AND GOVERNMENT SERVICES

- The nature of business enterprise.
  - Importance of business.
  - Meaning, purposes, and functions of business in society.
  - Services rendered by small businesses.
  - Development of the cooperative movement.
  - Basic principles of organizing, operating and managing a business.
  - Problems and responsibilities of management in business.
  - Risk of financial loss in business.
  - How to compute costs and profits in buying and selling.
  - Why public utilities are subject to government regulation.
  - Arguments for government operation of public utilities.
  - Arguments for private ownership of public utilities.
  - Government ownership as a factor in business enterprise.
  - What patents are and why they are protected.
  - Necessity for satisfying customers and reducing costs in marketing.
  - Overhead costs in a store.
  - The importance of selling goods and services.
  - Why governmental control of corporations is exercised.

- Economics of business and government services.
  - Characteristics of modern economy.
    - Meaning of economics.
    - What private property is.
    - Importance of individual liberty in the American economic system.
    - Characteristics of free enterprise.
    - Achievements and superiority of the American economic system.
    - Comparison of competition and monopoly.
    - Comparative efficiency of a profit system over any system of government planning.
    - Functions of government in a free enterprise system.
    - Economic effects of federal subsidies for private business.
    - Economic activities of business.
    - Governmental regulation of economic activities.
    - Effects of a strong central government.

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[1]Floyd L. Crank, "A Study of the Subject Matter Content in Basic Business and Economic Education" (unpublished doctoral dissertation, Northwestern University, 1956), pp. 51-59.

Distribution of national wealth and income.
Relationships among management, labor, and consumer.
What consumer should ask of seller.
Problem of fair wages and decent working conditions.
Understanding the problems of management, labor, and consumer.

Production of goods and services.
How utility is added to a good or commodity.
Factors of production.
Characteristics of modern production.
Economic effects of large-scale (mass) production.
Role of profits in the productive process.
Relation of wages to productivity.
What capital is.
What capital funds are.
What capital goods are.
Difference between fixed and free capital.
Conditions necessary for capital to be available for production.
Meaning and classification of labor.
How labor differs from commodities.
How workers have been helped to become more efficient.
What the supply of labor depends on.
Principles on which labor is divided.

The pricing system.
The nature of human wants.
Who consumers are.
Relation between the law of diminishing utility and consumption.
How prices are determined.
What supply and demand are.
Underlying economic principles of supply and demand.
Laws of demand.
Meaning of market price.
How market price is determined.
Relation between demand and price rises and declines.
Relation between supply and price.
Relation between purchasing power and demand.
Meaning of elastic demand.
Price as the principle factor in planning our economy.
Relation between price and cost of production.
Effect of price rises and declines on purchasing power.
What interest is.
Why interest is charged.
Why enterprisers borrow funds.
Kinds of interest.
Relation between interest rates and demand for and supply of capital.
How wages can be increased.
Factors affecting differences in wages.
Profits as purposes of production.
Relationships between profits and risks.
How to figure profits.
Relationship between profits and competition.

Economic fluctuations.
- What the business cycle is.
- Economic comparison of good and bad times.
- Causes of inflation.
- When deflation can occur.
- Effects of continued deficit spending by the government.
- The relation between income and prices.

Labor and labor relations.
- Development of present-day labor organizations.
- Advantages of labor organizations.
- Evaluation of methods of labor unions to achieve demands.
- What collective bargaining is.
- Economic effects of unemployment.
- Problems and responsibilities of labor and labor unions.
- Effect of labor unions on consumers.

Money.
- The meaning of exchange.
- Money as a medium of exchange.

World trade.
- Independence as a factor in business and in society.
- Why nations trade with one another.
- Characteristics of creditor and debtor nations.
- What is meant by balance of payments.

Government finance.
- What government finance deals with.
- Cost and economic value of service rendered by governments.
- Sources of governmental income.
- Why and how governments borrow.
- Comparison between borrowing and taxes as permanent revenue.
- The purpose of taxes.
- How taxes are levied and collected.
- How consumers pay indirect taxes.
- Why income taxes are used to produce revenue.
- Effect of high taxes on full employment.
- Role of consumer in determining how tax money is spent.
- Principles on which taxes have been levied.
- Elements of an ideal tax system.

Economic systems.
- Characteristics of capitalism.
- Advantages of capitalism.
- Disadvantages of capitalism.
- Characteristics of socialism.
- Advantages of socialism.
- Disadvantages of socialism.
- Characteristics of communism.
- Common characteristics of communism and Fascism, communism and socialism.

Banks and banking.
- What a bank is and its function in the financial scheme.
- Why banks maintain a legal reserve against time and demand deposits.

Transportation and travel services.
- Importance of transportation in the business world.
- Types of shipping services available.
- Social and economic significance of shipping services.

Communication services.
- The various methods of communicating with others and how to choose among them.
- Social and economic significance of communication.
- Principles of letter writing.
- How to write order letters.
- How to write postal letters.
- How to write letters of inquiry or request.
- How to write sales letters.
- How to read the financial pages of daily newspapers.

PERSONAL FINANCE

Personal-business records.
- Thrift--planning for saving and spending money.
- How to add, subtract, multiply, and divide whole numbers and common decimal fractions.
- How to use the dictionary.
- How to use an atlas.
- How to use a city directory.

Credit.
- Obligations assumed when a conditional sales contract is signed.
- What personal credit costs.
- When and why to sign notes.

Savings and investment.
- Reasons for saving part of earnings.
- How to detect investment rackets or frauds.

Insurance.
- Know what the life insurance contract contains.
- What happens when life insurance policy lapses.
- Why and how to buy insurance against public liability and property damage.
- Why and how to buy fire insurance.

CONSUMER BUYING

Consumer aids and protection in buying.
- How to use advertising as a buying guide.
- Fraudulent and misleading advertising.
- Government regulation of weights and measures as an aid to the consumer.
- Meaning of standards, grades and labels, including grade labeling and other informative labeling.
- Meaning of common ratings.
- Meaning of common certifications.
- Meaning of descriptive terms found on consumer products.
- Understanding of common weights and measures.

Consumer shopping.
- Present-day concentration of economic control as a consumer problem.

Factors influencing choice making.
- Environment.
- Education.
- Limited income.

How to improve choice making.
- Education.
- Family council and cooperation.
- Record keeping and budgeting as an aid to improving choices.

General shopping techniques.
- Becoming familiar with specific sources of information and buying helps.
- Detecting frauds and swindles, buying fallacies, superstition, fads, and fakers.
- Detecting misrepresentation and adulteration.

Where to buy advantageously.

Types of retail stores and their functions.

The relation between price and quality.

Why prices differ for similar materials.

Importance of determining need before going to market.

Importance of checking weights and measures when buying.

Importance of paying charge accounts promptly.

Importance of reading labels before buying.

Importance of buying only legitimate merchandise in legitimate channels.

Buying specific food products.
- Meat.
- Fresh fruits and vegetables.

How to buy specific kinds of clothing.
- Dresses.
- Furs.

Buying health and improving health habits.

Buying health protection and patent medicenes.

Buying an automobile.
- Factors to be considered.
- Aids and sources of information.

How to plan for an education.

How to select a college.

When and why it is wise to own a home.

Comparative advantages and costs of owning a home.

Financial aspects of buying, building, or renting a home.

Use of building and loan accounts in buying a home.

Care of public property.

Conservation of forests, flowers, and wild life.

PERSONAL-BUSINESS LAW

Legal knowledges and understandings.
- How to endorse and transfer negotiable instruments.
- Legal aspects connected with buying, building, or renting a home.
- Legal rights of a tenant in landlord-tenant relationships.
- When to make a will.

Legal conditions existing in employer and employee relationships.
Legal relationships existing in buyer and seller relationships.
Legal rights and obligations of infants.
Knowing what happens when a tort is committed.

ECONOMIC EMPLOYMENT

Earning a living: the earning of money.
How to plan one's life work.
Need for long-range planning for occupational success in the business world.
How to determine the kind of work for which one is best suited.
How to determine the requirements of the work of one's choice.
What occupational opportunities are available to men, to women, and to young people.
How to determine the opportunities in different occupations.
The employment prospects in areas of business which are in need of workers.
The place of manners and etiquette in a business occupation.
The place of personality in business.
Obtaining a job.
How to find a job.
How to apply for a job.
How to write letters of application.
How to succeed on a job.
Human relations in business.
Personal traits.
How to develop a pleasing personality.
Presenting a good appearance (grooming).
Maintaining good health.
Identify and eliminate personal mannerisms which are offensive in business.
When and how to express or control emotions in business situations.
Develop good business attitudes toward work in general and business work in particular.
How to work independently and without constant and detailed supervision.
How to supervise and direct the work of others.
Relations with others.
Maintain desirable relations with those with whom business is carried on, particularly with those who serve: storekeepers, salesmen, public servants, domestics.
Improve business relationships with co-workers, supervisors, employers, and customers.
Social schemes.
How to meet situations with good grace, courtesy, and emotional poise.
Know when and how to offer criticism directly to persons involved.
How to respond to criticisms and reprimands in business situations.
How to make introductions and how to respond when introduced to other people.

Study by Muse[1]

Muse submitted a checklist containing 212 business activities and 75 topics of business information to a group of secondary school pupils, to a group of adults, and to a number of businessmen. The respondents checked items on the checklist in terms of whether or not they were items about which every person should be reasonably well informed. It was concluded that 138 business activities and topics should be familiar to all pupils and adults.

MONEY

The history and use of money.
The earning, borrowing, and loaning of money.
How to spend money wisely.
How to make change.
How to wrap coins.
Money substitutes.

BANKS

How our banking system functions.
How to operate a savings account.
How to handle personal checks.
How to operate a checking account.
How to rent and use a safe-deposit box.
How to endorse checks in blank and in full.
How to have checks certified.
How to stop payment on checks.
How to buy and use a cashiers check.
How to buy and use bank drafts.
How to make a bank reconciliation of one's checking account.

CREDIT

How to use credit wisely.
Credit agencies.
The function of credit in our economic system.
How to borrow money on a real estate mortgage.
How to borrow money on a chattel mortgage.

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[1]Paul F. Muse, "A Study of the Business Activities, Interests, and Understandings of Secondary School Pupils and Adults as a Basis for Determining Subject Matter Content and Grade Placement of Basic Business Education in the Secondary School" (unpublished doctoral dissertation, Ohio State University, 1946), pp. 180-185.

FINANCES AND INVESTMENTS

How to invest money wisely.
How to invest money in government bonds.
How to manage our finances.
How our government is financed.
How to use postal savings.
How to buy industrial stocks and bonds for investments.
How to make a personal money budget.
How to budget family finances.
How to invest in a home.
How to establish a trust fund.

RECORD KEEPING AND FILING

The use and importance of personal and social records.
How to keep a time budget.
How to keep check stub records.
How to keep records of personal incomes and expenditures.
How to keep records of family incomes and expenditures.
How to keep an inventory of personal property.
How to do alphabetic filing
How to do geographic filing.
How to do numeric filing.

THE MATHEMATICS OF BUSINESS

How to add, subtract, multiply, and divide whole numbers and common and decimal fractions as they apply to the solution of business problems.
How to compute interest costs.
How to compute rates of income and net costs.
How to compute the costs and profits in buying and selling.
How to compute taxes.
How to compute the costs of travel and transportation.

TAXES

The purpose of taxes and how they are collected.
How the sales tax functions.
How the amusement tax functions.
How the transportation tax functions.
Income taxes and how to report them.
How a stamp revenue tax functions.
How the inheritance tax functions.

INSURANCE AND SOCIAL SECURITY

How to provide against economic risks.
How to buy life insurance.
How to buy health and accident insurance.
How to buy fire insurance.

How to buy insurance against public liability and property damage.
How to buy theft insurance.
How to buy insurance against the so-called acts of God.
How to buy title insurance.
How our social security system functions.

COMMUNICATIONS

How to use a residential, business, or pay-station telephone.
How to place a local or long-distance telephone call.
How to use a telephone directory.
How to use first, second, third, and fourth-class mail.
How to send air mail.
How to send mail, special delivery.
How to send registered mail.
How to use the U. S. Postal Guide.
How to make arrangements for forwarding mail.
How to send money by mail.
How to send money by telegraph.
How to send telegrams.
How to send day letters by telegraph.
How to send night letters by telegraph.
How to write invitations, acceptances, and regrets.
How to write letters of complaint.
How to write order letters.
How to use postal cards.
How to write letters of inquiry or request.
How to write letters granting or refusing requests.

FINDING INFORMATION

How to use the dictionary.
How to use an atlas.
How to use the world's almanac.
How to use a city directory.
How to use Who's Who.
How to use the Reader's Guide.

TRAVEL AND TRANSPORTATION

How to travel by automobile, bus, and rail.
How to use time tables in connection with travel and transportation.
How to use maps in connection with travel and transportation.
How to use travelers checks.
How to use official travel guides.
How to use hotel directories.
How to make hotel reservations.
How to handle baggage while traveling.
How to travel by air.
How to travel by water.
How to do foreign travel.

How to ship merchandise by rail, motor, and air transportation.
How to use official express, freight, and shipping guides.

BUSINESS LAW

How to endorse and transfer negotiable instruments.
How to make contracts.
How to buy, lease, and sell property.
How to make a will.
How our courts function.
What legal conditions are involved in owning and operating an automobile.
What legal conditions exist in employer and employee relationships.
What legal conditions exist in principal and agent relationships.
What legal conditions exist in buyer and seller relationships.
What legal conditions exist between shippers and carriers.
What legal conditions exist between passengers and carriers.

BUSINESS ORGANIZATION AND MANAGEMENT

What are the advantages, disadvantages, and characteristics of the following types of business organization:
- Single proprietorship.
- Partnership.
- Corporation.
- Cooperative.

How is each of the four principal types of businesses organized and operated.
What is the function of each type of business organization in our economic system.

CONSUMER BUYING

How to read and interpret advertising.
Cash, credit, and installment buying; which to use and when.
Government agencies that aid and protect the consumer.
Private agencies that aid and protect the consumer.
How the consumer can aid and protect himself.
How to choose from among the many kinds of things to buy.
How to buy metered services.

CHOOSING AN OCCUPATION

How to plan for one's life work.
How to determine the kind of work for which one is best suited.
How to determine the requirements for the work of your choice.
How to determine the opportunities in different occupations.
How to find a job.
How to apply for a job.
How to write a letter of application.
How to use government and private employment agencies.
The place of manners and etiquette in a business occupation.

The place of personality in business.
The economic significance of good health.

THE GOVERNMENTAL AND SOCIAL RELATIONSHIPS IN BUSINESS

What is the meaning, purpose and function of business in society.
What is the relationship of government and business.
What has been the effect of social legislation on the business aspects of individual living.
What are the business aspects of citizenship.

Study by Price[1]

Price selected a jury of 17 authorities in consumer education and asked them to rate the content that should be included in a high school consumer education program. The following topics were judged to be important.

THE ABILITY TO MAKE INTELLIGENT CHOICES BETWEEN KINDS OF GOODS AND SERVICES

- Factors influencing choices of goods and services.
- How to improve choices.
- How wise choices affect general social and economic welfare.

THE POSITION AND RESPONSIBILITY OF THE CONSUMER IN SOCIETY

- Present-day consumer problems arising from changing economic conditions.
- Characteristics of our industrial society.
- Marketing and the consumer.
- How consumers help themselves.
- Government and the consumer.
- Problems of the public welfare.

DEVELOPMENT OF A GREATER EFFICIENCY IN BUYING GOODS AND SERVICES

- General buying problems (advertising, appraising merchandise, frauds, retail selling methods, wastes in consumption, weights and measures, standards and grades).
- Buying techniques (where to buy, when to buy, how to buy, protection and aids in buying).
- Buying goods (foods, clothing, health and cosmetic products, household equipment, housing).
- Buying services (insurance, communication, education, travel, health, recreation).
- Financial problems of the consumer (purchasing power, credit, taxes, banking and saving, investments, record keeping).

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[1]Ray G. Price, "Curriculum Practices in Consumer Education" (unpublished doctoral dissertation, University of Cincinnati, 1945), pp. 163-164.

Study by Wells[1]

Wells analyzed a number of studies made to determine the subject matter content of general business education. It was concluded that the following 15 broad subject matter topics should serve as the basic content of instruction in general business.

FINANCIAL PLANNING (OR BUDGETING) FOR EARNING, SAVING, AND SPENDING MONEY; MONEY MANAGEMENT: MONEY AS A MEDIUM OF EXCHANGE

PERSONAL AND SOCIAL RECORDS TO AID IN WISE MONEY MANAGEMENT

INSURANCE

Purposes.
Kinds.
Advantages and disadvantages.
Sources of information.
Social security.

INVESTMENTS

Types of investments; advantages and disadvantages of each.
Difference between investing and gambling.
Investing in oneself.
Where to secure expert advice.

CONSUMER CREDIT (BORROWING)

Types of credit institutions.
Credit costs.
Regulations and laws governing.
How to use wisely.
As a medium of exchange.

BANKING

Kinds of banks and facilities offered.
Services provided and how to use.
Place of banks in our financial system.

TAXES

Purposes of taxes.

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[1]Inez R. Wells, "A Survey of Basic Business Education in Ohio" (unpublished doctoral dissertation, Ohio State University, 1947), pp. 68-9.

How collected.
Services rendered by governments.
Appraising tax systems.

HOUSING

Financial and legal aspects connected with buying, building, or renting a home.
Comparative advantages and costs of owning and renting.

CONSUMER BUYING PROBLEMS

Choice making; whether and what to buy.
Interpretation of advertising.
  Media used.
  How to use planning.
  Informative vs. emotional appeal.
When to buy advantageously.
Types of retail stores; functions.
Buying services.
Detecting frauds and swindles.
Consumer information.
Consumer protection.
Consumer responsibility for consequences of his buying habits.

PRICE AND THE CONSUMER

Price as principal organizing factor; how determined; how competition operates.
Price and quality.
How price affects purchasing power.
Wages and price; real wage or income.
The business cycle.
How political action affects price.

MARKET FUNCTIONS

Costs: direct and indirect; evaluation.
Types of retail organizations and their functions.
Middlemen (wholesalers, jobbers, retailers, financial agencies) and their functions.
Channels of distribution.
Services and privileges provided.

LEGAL ASPECTS TO EVERYDAY LIVING

Contracts.
  General.
  Sales, such as warranties, conditional sales, installment sales.
  Agency.
  Public carriers.
Negotiable instruments.

COMMUNICATION

Mail, telephone, telegraph, writing letters.
Types of services; choosing.
How to use services.
Acquiring and interpreting information concerning.
Understanding social and economic significance.

TRAVEL AND TRANSPORTATION

Bus, railroad, automobile, truck, air, water.
Types of service; choosing.
How to use.
Acquiring and interpreting information concerning.
Understanding social and economic significance.

STRUCTURE AND OPERATION OF ECONOMIC SYSTEM

- Relation of government to.
- Business organization and management.
  - Advantages, disadvantages, and characteristics of single proprietorship, partnership, corporation, and cooperative.
  - Function of each type of organization.
  - Interdependence within and among businesses.
    - Contributions of employer and worker.
    - Labor relations.
    - Effect on consumer.
- Private enterprise and monopoly.
- Social responsibility.

APPENDIX B

THE QUESTIONNAIRE

THE NATURE OF THE STUDY

This study is primarily concerned with general education in colleges and universities and the part that business and economics should assume in the general education program. Since a great deal of attention is being focused upon general education in many colleges and universities, an evaluation is needed to determine the contributions that business and economics can make to general education.

General education, as distinguished from vocational education, is that subject matter which is shared by all people regardless of their particular occupations or station in life. General education is based upon the premise that all people have some experiences, face some problems, and engage in some activities in common. All men are a part of a world of nature whose laws they must try to understand and all men are participants in a social environment with whose complexities they must deal. General education is aimed toward the skills, the understandings, and the values which all men need in order to face these problems more confidently and solve them more intelligently.

Over the years, it has been assumed by many educators that certain "traditional" subject matter should constitute general education or "liberal education" as it has often been called. Such subject matter as science, literature, history, language, and mathematics has been advocated as being important for all without any proof offered as to why it is important. In an age when subject matter is so extensive and time is so limited, it is totally impossible for students to learn all information which can be utilized. Therefore, it is necessary that much attention be devoted to determine what the content of a general education program should be.

Business and economics has traditionally been thought of as being vocational in nature. It has been studied only by people planning careers in business. Business educators have taught business and economics subjects merely as preparation for specific occupations. However, recently much has been said and written about the general values of some business and economic information. All people are said to be participants in a business and economic society. In this society, the acquisition of much business and economic knowledge is necessary for intelligent participation. All people are consumers of the goods and services made available to them by business. Their standard of living is largely determined by how efficiently they use these goods and services. All people, individually or as participants in a group, exercise control over the manner in which business operates and serves society. Every individual has a responsibility to master business and economic information and understandings which may aid in his development as a more worthwhile citizen.

An effort is being made through this study to isolate those elements of business and economic information that are essential for all college students. Accordingly, you are asked to indicate your beliefs concerning the importance of specified elements of business and economic information needed by all college students. You are asked to conclude by indicating how the information that you deem essential should be studied.

PART I

INSTRUCTIONS: FOLLOWING EACH OF THE 39 ELEMENTS OF BUSINESS AND ECONOMIC INFORMATION LISTED BELOW ARE TWO STATEMENTS TO BE COMPLETED BY YOU IN ACCORDANCE WITH YOUR BELIEFS CONCERNING THE SPECIFIED ELEMENT OF INFORMATION. COMPLETE THE STATEMENTS BY CHECKING (√) AFTER THE APPROPRIATE WORD. Please Note: In the case of the second statement, more than one word might be checked.

1. ECONOMIC SYSTEMS--The characteristics of capitalism, socialism, communism, and fascism and the advantages and disadvantages of each.

   For all people, this information is:
   Essential ( ) Nonessential ( ) No Opinion ( )

   If essential, the information should be obtained:
   In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

2. GOVERNMENT AS A BUSINESS ENTERPRISE--Degree of efficiency of government operation; cost and economic value of various functions of government; desirability or undesirability of government engaging in business operation; sources of government revenue and income.

   For all people, this information is:
   Essential ( ) Nonessential ( ) No Opinion ( )

   If essential, the information should be obtained:
   In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

3. CREDIT SERVICES--Types of credit agencies and the factors to take into consideration in the use of each; factors which influence the establishment of one's credit rating; services performed by credit rating and collection agencies.

   For all people, this information is:
   Essential ( ) Nonessential ( ) No Opinion ( )

   If essential, the information should be obtained:
   In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

4. BUSINESS CYCLES--Causes and economic results of business cycles; desirability of eliminating or lessening the degree of business cycles; most desirable level at which to provide stabilization; the exercise of control over business cycles by the federal government.

   For all people, this information is:
   Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

5. ECONOMICS OF TAXATION--The purpose of taxes; principles on which taxes are levied; elements of an ideal tax system; shifting and incidence of taxation; indirect taxes paid by the consumer; economic effects of taxation.

   For all people, this information is:
   Essential ( ) Nonessential ( ) No Opinion ( )

   If essential, the information should be obtained:
   In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

6. INSURANCE--Nature of insurance; advantages and disadvantages as a safeguard against economic risks; selection of company from which to purchase insurance; selecting the appropriate type and amount of insurance; buying annuities as a provision for retirement.

   For all people, this information is:
   Essential ( ) Nonessential ( ) No Opinion ( )

   If essential, the information should be obtained:
   In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

7. COMPETITION--Effects of competition upon efficiency of production; effects upon cost of goods to consumer.

   For all people, this information is:
   Essential ( ) Nonessential ( ) No Opinion ( )

   If essential, the information should be obtained:
   In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

8. MONEY--Value of money and how it is determined; substitutes for money; make-up of the total money supply; monetary controls and their implications for inflation or deflation.

   For all people, this information is:
   Essential ( ) Nonessential ( ) No Opinion ( )

   If essential, the information should be obtained:
   In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

9. INTERNATIONAL ECONOMIC POLICY--Economic implications of favorable and unfavorable balance of trade; the imposing of trade barriers; international financial agencies for reconstruction and development and the benefits provided; international price stabilization.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

10. TRANSPORTATION--Social and economic significance of transportation services; contemporary problems of transportation media; the various transportation services available; how to use various transportation and travel services.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

11. WAGES--The nature of wages and how they are determined; difference between money wages and real wages; how real wages can be raised and consequently raise the standard of living.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

12. CONSUMPTION--The nature of human wants and needs; factors influencing choice; distribution of goods and services; effects of various phases of distribution upon the price of goods to the consumer; governmental and private agencies which help to protect the consumer.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

13. GOVERNMENTAL REGULATION--Government regulations in effect to avoid restraint of trade; why such controls are necessary; government control of public utilities.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

14. BUSINESS ENTERPRISE--Functions and importance of business in our economic system; comparative efficiency of small and large businesses; economic advantages and disadvantages of large-scale organization, combination, and monopoly; implications of inefficient operation of business for the economy.

    For all people, this information is:
    Essential ( ) Nonessential ( ) No Opinion ( )

    If essential, the information should be obtained:
    In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

15. CAPITAL--Relations between interest rates and demand for and supply of capital; need for patent protection to encourage inventions; relation of standard of living and quantity and quality of man's tools; need for savings in a free enterprise system; need for conservation of natural resources.

    For all people, this information is:
    Essential ( ) Nonessential ( ) No Opinion ( )

    If essential, the information should be obtained:
    In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

16. OPERATION OF OUR LEGAL SYSTEM--How the courts serve the public welfare; laws that protect the consumer; basic laws of contracts, negotiable instruments, bailments, and bankruptcy; making of a will; probating an estate.

    For all people, this information is:
    Essential ( ) Nonessential ( ) No Opinion ( )

    If essential, the information should be obtained:
    In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

17. RECORD KEEPING--Keeping records of personal incomes and expenditures, social security benefits, bank balances, investments, and tax information.

    For all people, this information is:
    Essential ( ) Nonessential ( ) No Opinion ( )

    If essential, the information should be obtained:
    In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

18. WORLD TRADE--Economic advantages of free trade among the countries of the world; reasons for protective tariffs; significance of balance of trade and exchange stabilization; reasons for lending to the underdeveloped countries of the world; the world bank.

19. BUSINESS COMMUNICATION--Forms of communication and the need for and cost of each; principles of letter writing; preparing and interpreting financial statements; reading the financial pages of newspapers; writing minutes of meetings; writing copy for news releases.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

20. DIVISION OF FRUITS OF PRODUCTION--Division of production in a capitalistic society; possible alternatives for the division of production and their economic implications; consequences of a change in philosophy concerning division of production in the U. S.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

21. SOCIAL SECURITY--Forms of social security; how to plan for and obtain benefits; who provides for social security and degree to which it should be provided; implications for incentive to save and produce; charitable features and redistributive nature of social security; social security and politics.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

22. PRICE DETERMINATION--Effects of supply and demand; elasticity of demand and its relation to price; equilibrium price as set by supply and demand; effects of competition on price; results of government price controls; how managerial policies influence price.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

23. TECHNOLOGICAL PROGRESS--Technological progress and economic fluctuations; implications for the standard of living of the American people; employment and technological progress; sharing the benefits of technological progress.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

24. LABOR--Development of labor organizations; advantages and disadvantages of these organizations; methods by which unions achieve their demands; the problems and responsibilities of unions; economic implications of the desires of unions (shorter work week, restriction of output, jurisdictional restrictions, etc.)

    For all people, this information is:
    Essential ( ) Nonessential ( ) No Opinion ( )

    If essential, the information should be obtained:
    In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

25. CONSUMER BUYING--Use of consumer buying guides and information; obtaining the most desirable combination of quality and quantity of a product consistent with price; buying specific products and services such as food, automobiles, homes, etc.; need for conservation of consumer goods and public property.

    For all people, this information is:
    Essential ( ) Nonessential ( ) No Opinion ( )

    If essential, the information should be obtained:
    In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

26. INVESTMENTS--Desirability of saving part of earnings; various savings systems available and how to use them; difference between investing and speculating and conditions under which one might logically engage in each; kinds of investments available; determining the most appropriate investment to make; sources of investment information.

    For all people, this information is:
    Essential ( ) Nonessential ( ) No Opinion ( )

    If essential, the information should be obtained:
    In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

27. GOVERNMENT BORROWING AND CREATION OF NATIONAL INCOME--Government spending to prevent deflation or to cause inflation; economic effects of deficit spending by government.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

28. DISTRIBUTION OF NATIONAL WEALTH AND INCOME--How wealth and income is distributed in the United States; various ways it can be distributed and the economic consequences of each; possible effects of redistribution of national wealth.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

29. USE OF MONEY--Carrying money safely while traveling; obtaining money when away from home; sending money by mail safely; safeguarding one's money when cashing checks for others; the detection of counterfeit money.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

30. AGRICULTURE--Economic problems of agriculture; price supports for agricultural products; utilization of surplus commodities; agricultural credit policy.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

31. PRODUCTION--Economic effects of restriction or destruction of output and the curbing of efficiency; need for balanced production; economic advantages and disadvantages of large-scale production.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

32. RELATIONS OF ECONOMIC GROUPS--Need for cooperation and compromise among occupational and economic groups; interests of owners, management, and employees in reducing costs and satisfying customers in a competitive system; economic effects of interaction among business, consumers, and government.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

33. CREDIT--Functions and importance of credit in our economic system; governmental control of credit; determining whether or not to use credit; cost of various types of credit in terms of price premiums and interest rates; charge accounts; buying on the installment plan; borrowing money; protection of personal loans.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

34. BANKING--Nature of banking; functions of banks; selection of a bank; maintenance of various types of accounts such as checking and savings accounts; use of bank drafts, certified checks, safe-deposit services, etc.; handling various bills of exchange, notes, and checks.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

35. AUTOMATION--Effects of automation on employment; division of the fruits of automation among labor, consumers, and owners; implications of automation for inflation or deflation; raising the standard of living through increased production made possible by automation.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

36. BUDGETING--Building a budget of family and personal finances; managing personal financial affairs after developing a budget; controling spending; managing bank accounts.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

37. ECONOMIC FLUCTUATIONS--Causes and economic consequences of inflation or deflation; desirability of control of fluctuations; economic level most desirable; government policies used to control fluctuations.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

38. TAXATION--The nature of estate, gift, inheritance, personal property, and sales taxes; the computation of federal and state income taxes and how to make out personal income tax returns.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

39. BUSINESS PROFITS--Reasonableness of business profits; relationship between profits and risks; profit as an incentive for investment.

For all people, this information is:
Essential ( ) Nonessential ( ) No Opinion ( )

If essential, the information should be obtained:
In College ( ) In Secondary School ( ) From Personal Experience ( ) Other ( )

PART II

INSTRUCTIONS: IF YOU INDICATED THAT CERTAIN OF THE PRECEDING STATED ELEMENTS OF BUSINESS AND ECONOMIC INFORMATION ARE ESSENTIAL AS A PART OF THE EDUCATION OF ALL COLLEGE STUDENTS, RESPOND TO THE FOLLOWING QUESTIONS BY CHECKING (√) BEFORE THE WORD OR PHRASE THAT MOST NEARLY EXPRESSES YOUR BELIEFS.

1. How do you think that information specified as essential should be included in the programs of college students?

   ( ) a. By fusion into several courses offered in the college or university.

   ( ) b. By special courses provided for such purposes.

2. If you checked "a" in Number 1, do you think that information should be:

   ( ) a. Fused into many courses offered throughout the college or university.

   ( ) b. Fused into several basic business courses.

3. If you checked "b" in Number 1, do you think such special courses should be:

   ( ) a. Elective.

   ( ) b. Required.

4. If you checked "a" in Number 3, should they be:

   ( ) a. Free electives; i.e., electives available only to satisfy minimum hour requirements for a degree.

   ( ) b. Electives available to satisfy specific subject matter area requirements. (For example: If 15 hours of social science is required of all, these subjects could be elected to help satisfy the social science requirements.)

5. If you checked "b" in Number 3, should they be:

   ( ) a. Required of all college students.

   ( ) b. Required of some college students.

6. If you checked "b" in Number 5, which students should be required to take the courses? (Check as many as you wish.)

( ) a. Business majors.
( ) b. Engineering majors.
( ) c. Science majors.
( ) d. Mathematics majors.
( ) e. Religion majors.
( ) f. Education majors.
( ) g. Music majors.
( ) h. English majors.
( ) i. Art majors.
( ) j. Speech and Drama majors.
( ) k. Pre-medicine majors.
( ) l. Pharmacy majors.
( ) m. Social Science majors.
( ) n. Pre-law majors.
( ) o. Agriculture majors.
( ) p. Home Economics majors.
( ) q. Others (please specify below).

APPENDIX C

BOOKLET PREPARED TO ACCOMPANY THE QUESTIONNAIRE

This booklet is provided as an aid in answering the questions in Part I of the questionnaire. A brief outline of the elements of business and economic information included on the questionnaire is presented. The outline is not exhaustive but it is hoped that enough information is provided to enable one to understand the implications of the statements on the questionnaire and thereby answer the questions more effectively.

1. ECONOMIC SYSTEMS

Capitalism.--The outstanding distinction of our capitalistic system is concentrated capital and other forms of wealth in private hands. Owners of capital and wealth carry on enterprise for private gain. Immense numbers of the population labor for them for their means of subsistence. The political system exists as a background and support for the capitalistic form of economic control.

Some advantages of capitalism are: (1) It is based upon adequate incentives for enterprise. It holds out reward commensurate with energy, ability, and talent. (2) It is based upon fundamentally equal opportunity. (3) It is based on sound economic principles. It promotes expert management and efficiency of operation.

Capitalism, on the other hand, promotes dissatisfaction and unrest because of the never-ending desire for "more and better." Also, some say that there is lack of conservation of resources under capitalism.

Socialism.--Socialism calls for public or collective ownership and operation of the principal instruments and agencies for the production and distribution of wealth--the land, mines, railroads, etc. Socialism discourages initiative, impairs efficiency, and weakens the impulse to industry. It is inconsistent with a basic human desire for ownership of goods.

Communism.--Communism is a system in which all wealth, including both producers' and consumers' goods, is owned and controlled by the community. It differs from socialism in that the latter proposes that the community shall own and operate only producers' goods, leaving the consumers' goods to be owned and enjoyed by individuals. Communism is state socialism plus a purpose to use force to establish and keep going a political dictatorship of a minority, if a majority cannot be had. Communism denies liberty of minorities, classes, press, speech, education, religion, etc.

Fascism.--Fascism involves the establishment of a dictatorship, more particularly from above, rather than by the proletariat. As such, fascism cannot be considered as an economic system in the same manner as socialism or capitalism, but it combines these institutions--with others--in such a way that the completed structure bears little resemblance to either of the other two economic systems. It emphasizes nationalism, glorifies war, holds that "might makes right," and relies on propaganda and force--not information and reason--as methods of social control.

2. GOVERNMENT AS A BUSINESS ENTERPRISE

Degree of Efficiency of Government Operation

a. There is evidence that initiative tends to be dulled by working for a monopolistic government institution.
b. It is difficult to recruit high-calibre people into government service.

c. It is difficult to fire an incompetent worker in civil service.
d. Government is bound to be monopolistic. Therefore, government can be slow, wasteful, and uncoordinated and still exist indefinitely. An inefficient private concern must mend its ways or fall by the wayside under the pressure of competition.

Desirability or Undesirability of Government Engaging in Business Enterprise

a. Arguments in favor of government ownership:
    1. Government can borrow money at lower rates of interest.
    2. Public enterprise will render service deemed socially advisable, even though a deficit may be caused.
    3. Public ownership will eliminate much political corruption such as lobbying, payment for propaganda, and contributions to political campaign funds.
    4. Many complex and costly administrative problems vanish such as the valuation of an enterprise.
b. Arguments against government ownership:
    1. Private industry is generally considered to be more efficient than public.
    2. Political corruption, it is asserted, will tend to be even greater under public than under private ownership.
    3. The financial saving of government ownership is greatly exaggerated.
    4. The whole set-up of government in the United States is ill-designed for the conduct of publicly owned industries.

3. CREDIT SERVICES

Types of Credit Agencies and the Factors to Take Into Consideration in the Use of Each

a. Bank loans.--Loans that are relatively short are better secured from a bank.
b. Small loan company loans.--These companies cater to the borrower who wants to borrow small amounts. The interest is usually very high. This form should be used only if absolutely necessary.
c. Industrial bank loans.--May be used either by a consumer or a businessman. Usually the same methods of determining interest, security, etc. as are used by ordinary commercial banks are employed. Therefore, they constitute desirable sources.
d. Credit union loans.--Usually a low interest rate is charged. An advantage is that a savings system is closely associated with a loan agency. These loans are usually made on a non-profit basis.
e. Life insurance policy loans.--Money is loaned on the cash surrender value of insurance.
f. Loans from pawnbrokers.--Loans are secured by personal property. A high rate of interest is charged. It is unwise to use this form.

Factors Which Influence the Establishment of One's Credit Rating

a. Reputation for paying bills promptly.
b. Likelihood of gainful employment during credit period.

c. Size of checking account.
d. Property owned by applicant such as a home, furniture, stocks, etc.
e. Amount of money owed to other creditors.

Services Performed by Credit Rating and Collection Agencies

a. Retail credit bureaus keep records of all customers of all member stores. If a charge customer establishes a good credit rating, this information is available when he applies for credit.
b. The retail credit bureau furnishes indebtedness reports, real estate reports, and special bulletins concerning bad check passers, counterfeiters, etc.
c. Collection agencies may be employed to collect from delinquent debtors. A fee is charged for this service.

4. BUSINESS CYCLES

Causes of Business Cycles.--Explanations of business cycles may be classified in three categories:

a. Some attribute cyclical behavior to physical causes--causes acting from without the economic system.
b. Some attempt to explain the cyclical course of business in terms of psychology of businessmen.
c. Others are institutional explanations in that they trace business cycles to the workings of various economic processes.

Economic Results of Business Cycles.--A basic result of business cycles is redistribution of existing wealth. Continued inflation is good for the investor but bad for the retired or other people living on fixed incomes. Deflation has the opposite effect.

Desirability of Eliminating or Lessening the Degree of Business Cycles.--Few people would deny the desirability of eliminating or lessening the degree of business cycles. However, such undertakings must be done with care. No proposal should ignore the fact that fluctuations of several kinds are inherent in a dynamic society, living in a varying physical environment. Widespread dissemination of reliable information regarding economic conditions tends to be helpful in keeping within reasonable bounds the activities of enterprisers, investors, and others who are making long-range decisions affecting the economy. Direct government intervention, substitution of government decision for private choice, either at particular points or throughout the economy, should be avoided.

The Exercise of Control Over Business Cycles by the Federal Government.--The least objectionable method of government interference, with a view to moderating business fluctuations, is through monetary and credit policy. Deficit spending by government is excluded from this category. Government spending is always a poor substitute for direct private spending. The most constructive approach to the problem of fluctuations is an undertaking to maintain genuinely competitive conditions in the economy. A competitive economy contains within itself the means of prompt correction of maladjustments.

5. ECONOMICS OF TAXATION

The Purpose of Taxes.--The basic purpose of taxes is to make it possible to provide the protection and services for citizens that can be provided most effectively and economically by government. Thus, it is possible for individuals to receive benefits that they could not possibly provide for themselves.

Principles on Which Taxes Are Levied

a. The ability theory.--The ability theory states that a tax should bear most heavily on those who are best able to pay it.
b. The benefit theory.--The benefit theory of taxation argues that taxes should be proportional to benefits received from government activities.
c. The diffusion theory.--The diffusion theory postulates that the tax burden should be spread over as many people as possible.
d. The economy theory.--This theory postulates that as little as possible of the proceeds of a tax should be expended in actually collecting the tax and as much as possible should be available for the general revenue of the state.

Elements of an Ideal Tax System

a. The revenue from a tax should remain fairly steady from year to year.
b. It should be fairly easy for the average individual to determine the amount of the tax that he should pay.
c. A tax should not be used as a means of regulation for certain activities.

Shifting and Incidence of Taxation.--The "shifting" of a tax is the passing of the burden of paying the tax from the person or firm on whom it was originally levied to someone else. The "incidence" of a tax is the place where the tax burden actually falls. The incidence of taxes falls on the person who is unable to shift the burden to someone else. Usually this is the consumer.

Indirect Taxes Paid by Consumers.--In addition to the direct income taxes, sales taxes, etc., that the consumer pays, he also pays indirect taxes in the form of higher prices of the products that he buys as a result of shifting of taxes from the manufacturer, wholesaler, and retailer down to him. Such indirect taxes sometimes amount to phenomenal sums.

6. INSURANCE

Nature of Insurance.--All people face certain risks such as risk of property loss, liability loss, loss of income, or loss through death. Insurance is a method by which one shares these risks with others who face the same risks. If one person suffers a loss, that loss is borne by all the risk sharers and does not have to be absorbed exclusively by the one who suffered the loss.

Advantages and Disadvantages As A Safeguard Against Economic Risks

a. Advantages
   1. By reducing risks, insurance permits a better apportionment of capital, with a resulting increase in productivity.
   2. Insurance companies decrease the chance of loss through loss-prevention activities, thus making a vital contribution to the economy.
   3. Insurance strengthens our credit system.
   4. Insurance relieves the worries of the insured.

b. Disadvantages
   1. Operating costs of insurance companies are quite high.
   2. Insurance companies consume large areas of production space and large amounts of capital.
   3. Insurance is the cause of a number of fraudulent losses.
   4. Insurance may eliminate the incentive to protect property against loss.

Selection of Company from Which to Purchase Insurance

a. The size of the company is the most important factor. Large companies are normally safer.
b. One should determine which of the leading companies offer the lowest rates.
c. A comparison of expenses to insurance in force indicates the efficiency of the administration.
d. The yield that a company receives on its investments is important.

Selecting the Appropriate Type and Amount of Insurance

a. How much protection one needs for dependents.
b. How many children one has and how old they are.
c. Probable period before they will be able to support themselves.
d. How much protection will available income provide.

7. COMPETITION

To compete means to undertake to give a superior performance. True competition consists of finding ways and means of making more effective use of available facilities and thus lowering the cost of production or turning out a better product. It follows, then, that competition is constructive, not destructive. This is contrary to the opinions of many who refer to competition as "cut-throat," "dog-eat-dog," or "ruinous."

Effects of Competition on Efficiency of Production.--Through the necessity of building a better product at a lower cost because of competition, the highest degree of efficiency is insured. Inefficient producers are forced out of business by competition. Only the efficient producers are left. This is good because only in this way can the best goods be made available to consumers at the lowest possible cost. Any system that permits or encourages the existence of inefficient producers is not providing the highest standard of living for the people it serves.

Effects of Competition Upon Cost of Goods to Consumer.--Just as competition forces the producers of goods to produce them at the lowest possible cost, it also forces wholesalers and retailers of the same goods to sell to the consumers at the lowest possible cost. Competition, whether in price, quality, service, or some other factor, makes available to the consumer the most of whatever ingredient he is seeking.

8. MONEY

Value of Money and How It Is Determined.--Money is any commodity or token that serves as the common medium of exchange and the common measure of value. Money has no value as such but is only the unit or symbol by which values and debts are expressed. Its value arises because the state gives it external form; its material content is ignored. The value of money at any time can be measured in terms of the quantity of goods that a unit or given amount of money would enable the holder to buy.

Monetary Controls and Their Implications for Inflation or Deflation.--Inflation has been defined as "too many dollars chasing too few goods." The money stock of the country has expanded enormously during the past few years, way beyond the growth of population and output of goods. The supply of money in circulation in 1951 was nearly four times as great as it was in 1939. The production of goods and services was just over twice as much for the same period. Obviously, then, it will be necessary to place some controls on the volume in order to prevent the continuance of inflation.

There are some who advocate the return to the gold standard. In that way, it is believed, the quantity of money can be controlled. This is only one answer to the problem and it is only a partial answer.

9. INTERNATIONAL ECONOMIC POLICY

Economic Implications of Favorable and Unfavorable Balance of Trade.--In the long run, the value of a country's exports to the rest of the world must be equal to its imports from the rest of the world. Exports and imports include not only physical goods but also shipping and insurance services, tourist expenditures, etc. The only balance that has any significance is the balance between one country and all other countries.

The Imposing of Trade Barriers.--The only way the world's goods can be produced at the lowest possible cost is for each country to produce those goods that it can produce cheapest. Every country enjoys an economic advantage in the production of some goods and a system that permits the free sale of those goods to other countries is the best system for the consumers of the world. Cheaper goods made available to consumers is one of the primary factors involved in raising the standard of living, an important problem in any economy.

Some arguments for protective tariffs are: (1) By having tariffs we can make our country more self sufficient so that in times of war we will not be placed in an untenable position so far as the production of many needed products are concerned. (2) Tariffs protect infant industries. If these infant industries are protected until they are able to develop to the point where they can compete favorably with manufacturers in other countries, the United States will be benefited.

International Financial Agencies for Reconstruction and Development and the Benefits Provided.--A backward and underdeveloped country is a detriment to the rest of the world. Benefits accrue to the whole world when a country is enabled to advance because of aid received from outside the country. For example, when a central American country improves its transportation facilities to enable it to transport bananas more cheaply, the United States benefits because of its being able to purchase those same bananas at a lower cost.

10. TRANSPORTATION

Social and Economic Significance of Transportation Services.--The economic importance of transportation can hardly be exaggerated. The division of labor is dependent upon the extent of the market and it is the nature and costs of transportation which determine the extent of the market. Low-cost transportation facilities also increase the mobility of labor, allowing workers to move from regions where they are poorly paid to those where better wages prevail. All of the advantages of interregional and international trade arise only because transportation of goods and people make such trade possible.

Contemporary Problems of Transportation Media

a. Determining proper rate schedules for the various classes of freight and passenger service.
b. Many railroads are much overcapitalized.
c. By means of laws and trade union rules, the railroads have been largely prevented from effecting economic use of labor.
d. There is much needless duplication of rail facilities between different points.
e. Competition of trucks, busses, and airplanes.
f. Operation of branch and spur trackage at a loss.

11. WAGES

The Nature of Wages and How They Are Determined.--Wages are the form of remuneration paid to the factor labor, just as rent is paid to land, interest to capital, and profits to entrepreneurship. Obviously, the determination of wage rates is not a simple matter, and many complications must be introduced in a realistic discussion. If we assume just one market for labor where employers all want the same kind of workers, and there are many laborers who are exactly alike in ability, training, diligence, and availability, wage rates would be determined by supply and demand. However, wage rates are the ends of a large number of interdependent and simultaneously operating forces which affect either supply or demand. Some of these are: (1) Immobility of labor, (2) Noncompeting groups, and (3) Appeal other than wages received.

Difference Between Money Wages and Real Wages.--Money wages is the actual amount of cash received in return for labor. Real wages is the amount of goods and services that money wages will buy. Thus it can be seen that the more significant of the two is real wages.

How Real Wages Can Be Raised and Consequently Raise the Standard of Living.--The only way that real wages can be raised is to increase production per man hour of work. The only way to raise the general standard of living is to produce more. That is what a higher standard of living is--more goods and services available to the consumer plus the added factor of efficiency of consumption.

12. CONSUMPTION

The Nature of Human Wants and Needs.--Although desires are unlimited, or at least incapable of complete satiation, man's productive power and nature's resources are not unlimited. Consumers, therefore, must choose between those goods which they feel they must have and those which they can do without. In other words, consumers have choices that should be made on a rational basis.

Factors Influencing Choice.--A number of factors may modify the freedom that consumers have to choose the goods and services they purchase. Among these modifying influences are custom, the desire to display wealth conspiciously, lack of knowledge on the part of the consumer, fashion, marketing methods, and authoritative controls such as rationing.

Distribution of Goods and Services.--Distribution or marketing is the process of collecting goods from producers scattered over a considerable area, and shipping and distributing them to consumers located at other points throughout the same or other areas. Marketing is carried on by a host of different people or organizations who stand between the producer and consumer and who are designated as middlemen. Some examples of middlemen are wholesalers, jobbers, brokers, commission merchants, advertising agencies, bankers, discount houses, retailers, transportation and insurance concerns.

Effects of Various Phases of Distribution Upon the Price of Goods to the Consumer.--Middlemen are really producers because they perform the service of adding time and place utilities to goods. Uninformed people often use the word "middlemen" in a rather derogatory tone, implying that they are more or less parasitical and unnecessary. The survival of middlemen, over a considerable period, can be safely assumed to indicate that they render useful service more cheaply than these could be otherwise obtained. Naturally, the marketing process adds to the price of goods to the consumer but middlemen are specialists and in the long run save money for the consumer.

Governmental and Private Agencies Which Help to Protect the Consumer In the United States, the efforts of three groups are directed at improving the position of the consumer: (1) the attempts on the part of government to assist the consumer, (2) action on the part of consumers working in cooperation to protect their own interests, and (3) action on the part of producers to protect consumers' interests.

13. GOVERNMENT REGULATION

Government Regulations in Effect to Avoid Restraint of Trade.--Although there are many advantages in business combinations, sometimes combinations are formed for the purpose of fixing prices rather than to allow competitive prices to prevail. This may take many forms some of which are: (1) a simple price agreement, (2) price and quota agreement, (3) territory pool, (4) selling pools and cartels, and (5) collusive bidding on contracts. The federal government has recognized the dangers of combinations in restraint of trade and has passed legislation to attack the problem. Such acts as the Sherman Anti-Trust Act and the Clayton Act have been enacted and the Federal Trade Commission has been set up to deal with the problem.

Why Such Controls Are Necessary.--Unregulated monopoly generally means higher prices, lower output, and less employment in the monopolized field than would prevail under pure competition. Where monopoly would have lower costs than pure competition, the only way to obtain the benefit of these lower costs for the public is through regulated monopoly. Monopoly is not necessarily an evil; it may be the only form of organization under which low costs can be achieved, but usually it requires some form of government effort to see that the benefits of monopoly accrue to the public.

Government Control of Public Utilities.--There is hardly any doubt but that public utilities can best be provided through monopoly. The nature of this form of business is such that competition in the field would lead to inefficiency and waste. If a business firm is to be granted a monopoly in a public utilities field, it is necessary for government to regulate that firm so that the consumer will realize the benefits of the more efficient system.

14. BUSINESS ENTERPRISE

Functions and Importance of Business In Our Economic System.--The tremendous rate of growth of our economy and the continuously rising standard of living could not have been possible without our form of business enterprise. The incentive to develop, to produce, and to distribute is provided in this business system because of the personal monetary rewards accruing to those who perform these functions. All other economic activities would be rendered insignificant were it not for business.

<u>Comparative Efficiency of Small and Large Businesses</u>.--Both small and large businesses are needed in our economy. When there is a big job to be done, a large enterprise is needed; small chores can be handled very well by small concerns. In some industries, such as production of automobiles, small enterprises are at a serious disadvantage and cannot compete with great collections of capital. The equipment necessary to mass produce automobiles is quite extensive and only in mass production can the greatest efficiency be achieved.

<u>Economic Advantages and Disadvantages of Large-Scale Organization, Combination and Monopoly</u>.--Some advantages of large-scale production are:

a. Ability to take full advantage of the economies of specialization and division of labor.
b. Ability to use specialized machinery.
c. Ability to pay large salaries for men of special ability.
d. Ability to obtain lower prices through quantity buying.
e. Ability to use by-products.
f. Ability to conduct experimentation and research.

Some disadvantages of large-scale production are:

a. Extremely susceptible to business cycles.
b. Comparatively inflexible.
c. Limitations of large-scale management.

<u>Implications of Inefficient Operation of Business for the Economy</u>.--The more efficient business operation is the lower it is possible for goods to be sold to consumers. Only in this way can the standard of living of the American people be raised.

15. CAPITAL

<u>Relations Between Interest Rates and Demand and Supply of Capital</u>.--The rate of interest on capital in a certain country in a certain year is determined by demand and supply. The demand comes from businessmen who wish to borrow capital for productive purposes. The supply is provided by owners of funds. Under competition, the equilibrium rate of interest will be that rate which equalizes supply and demand. At that rate, the amount wanted by borrowers will equal the amount offered by suppliers.

<u>Need for Patent Protection to Encourage Inventions</u>.--The possibility of monetary reward has provided the incentive necessary for American ingenuity to bring about great technological improvements. Patent protection has made this possible. Without it, very little experimentation would be carried on because potential inventors would not realize enough benefit from their work.

<u>Relation of Standard of Living and Quantity and Quality of Man's Tools</u>.--Interest is paid because capital instruments are in demand. Capital instruments, when used with land, labor, and entrepreneurship, increase production. The increase in production that has taken

place in the United States through the use of capital goods is well known. Without expending any more energy, labor nearly always can produce more goods when capital is available.

Need for Conservation of Natural Resources.--The exhaustion of many natural resources is not indefinitely remote, and especially if the rest of the world begins to catch up to American standards of consumption, the exhaustion of conventional fuels and of most important mineral deposits may be a matter at most of a few hundred years--a brief span even in the perspective of human history. Even though we possibly might be able to find new sources of energy when the need is felt, the need for conserving present sources of energy is very great.

16. OPERATION OF OUR LEGAL SYSTEM

How the Courts Serve the Public Welfare.--Laws are developed and courts set up and operated so that the rights of individuals and groups might be preserved. Laws come from several different sources: (1) constitutions and statutes, (2) judicial decisions, (3) custom, (4) prevailing ethical, social, and political ideals, and (5) textbooks and treatises. There are two systems of courts in each state, federal courts and state courts. The federal courts generally have control over those cases in which a federal right is at issue and those which consist of suits between citizens of different states.

Laws That Protect the Consumer.--The Food, Drug, and Cosmetic Act is designed to (1) prohibit traffic in all food which might be injurious to health, (2) prohibit traffic in new drugs unless they have been properly tested, (3) authorize factory inspection of establishments producing food, drugs, and cosmetics for interstate shipment, and (4) provide criminal penalties for violations. The Wheeler-Lea Act empowered the FTC to pay more attention to the protection of the public against unfair business practices. The Post Office Department guards against the use of the mail for fraudulent purposes.

Basic Laws of Contracts, Negotiable Instruments, Bailments, and Bankruptcy.--A contract is a binding agreement between two or more persons or businesses to do or not to do some particular thing. In order to be enforceable by law, a contract must meet certain requirements: (1) the parties involved must be competent, (2) there must be mutual assent, (3) something of value must be involved, (4) the agreement must be lawful, and (5) some contracts must be in writing.

A bailment is a transfer of personal property by one person to another for some specific purpose. The primary duties of the bailee are (1) to exercise due care with respect to the article while it is in his possession and (2) to surrender it to the bailor at the expiration of the bailment. If he performs the duty of exercising the proper degree of care, he is not responsible for the loss of the article. What constitutes the exercise of due care by the bailee varies with such circumstances as the nature of the bailment and the nature of the article.

The estate of insolvent debtors might be settled by bankruptcy proceedings. Two kinds of bankruptcy are possible: (1) voluntary bankruptcy, which is brought about by the voluntary petition of the bankrupt, (2) involuntary bankruptcy, by means of which creditors petition a debtor into bankruptcy if he commits what is called an act of bankruptcy.

Making of a Will.--A will is the means by which one can definitely and positively direct the economical and orderly disposal of his estate to persons of his own selection. One should make a will as soon as he is married and should keep it up to date. In making a will one should hire a good lawyer. He will draw up a will that will do exactly what the testator intends. In most states, the following factors are necessary in making a valid will: (1) The will must be signed by the maker or testator, (2) Most states require two or three witnesses, (3) Alterations or erasures should be avoided, (4) Care should be taken so that the will distributes the properties in the way desired by the testator.

17. RECORD KEEPING

Bookkeeping records aid business in planning for more efficient operations. Bookkeeping records are also important for the individual or family that wants to plan for more intelligent use of income. If systematic records are not kept, there is no basis upon which to plan for purchases of essentials, to provide adequately for savings, and to make funds available for recreation and some for luxuries.

The keeping of records of personal incomes and expenditures is of value primarily to enable one to keep within a budget or provide information concerning any variance from the budget. In planning an estate, an adequate record of social security benefits is desirable. A careful record of bank balances should be maintained so that one might detect immediately any errors on the part of the bank. Also, such records will help one prevent overdrawing his account. A record of essential tax information is absolutely necessary if one is to obtain the greatest tax benefits. Many people are not able to take advantage of all deductions and exemptions permitted them because of a lack of records.

18. WORLD TRADE

Economic Advantages of Free Trade Among the Countries of the World.--The only way the world's goods can be produced at the lowest possible cost is for each country to produce those goods that it can produce cheapest. Every country enjoys an economic advantage in the production of some goods and a system that permits the free sale of those goods to other countries is the best system for the consumers of the world. Cheaper goods made available to consumers is one of the primary factors in raising the standard of living, an important problem in any economy.

Reasons for Protective Tariffs.--Some arguments for protective tariffs are: (a) by having tariffs we can make our country more self sufficient so that in times of war we will not be placed in an untenable position so far as the production of many needed products are concerned, and (b) tariffs protect infant industries. If these infant industries are protected until they are able to develop to the point where they can compete favorably with manufacturers in other countries, the United States will be benefited.

Significance of Balance of Trade and Exchange Stabilization.--In the long run, the value of a country's exports to the rest of the world must be equal to its imports from the rest of the world. Exports. and imports include not only physical goods but also shipping and insurance services, tourist expenditures, etc. The only balance that has any significance is the balance between one country and all other countries.

Reasons for Lending to the Underdeveloped Countries of the World.--A backward and underdeveloped country is a detriment to the rest of the world. Benefits accrue to the whole world when a country is enabled to advance because of aid received from outside the country. For example, when a central American country improves its transportation facilities to enable it to transport bananas more cheaply, the United States benefits because of its being able to purchase those same bananas at a lower cost.

19. BUSINESS COMMUNICATION

Forms of Communication and the Need for and Cost of Each

a. Telephone service--should be used when time is crucial.
b. Telegraph service--most expensive.
c. Postal service--least expensive. One should use this form when ample time is available.

Principles of Letter Writing

a. The letter should be complete so that the full picture may be given, avoiding further inquiries.
b. The letter should have a pleasant tone and be courteous.
c. Consideration should be given in the letter so that the reader may be truly helped and his wants truly understood.
d. The clearer the plan, the simpler the language, the more quickly the message will reach other people's minds.
e. The message should be concise and just long enough to do its job.
f. The message should hold the attention of the reader.
g. The letter should be concrete so that every fact may be definite, informative, vivid, and interesting.
h. Correctness is important so that costly delay and misunderstanding shall not occur.

i. Find out what the reader wants to know and tell it to him--first.
j. Consider the reader's viewpoint, put yourself in his shoes.
k. Be sincere and tell the truth.
l. Write as if you were sitting across from your reader and talking to him carefully. Project your personality through your words.
m. See the problem as the reader sees it and write to interest the reader and not to please yourself.
n. Do not use unnecessary information or ramble in your letter.
o. Use simple words when they are as accurate in meaning as longer words.
p. Make the thought positive. Be helpful and considerate.

<u>Preparing and Interpreting Financial Statements</u>

a. A balance sheet is a statement prepared to show the financial position of a business. It shows financial position by listing the amounts of the various assets of the business, things of value belonging to the business for which it is prepared, and the claims against these assets. There are attempts to show the probability of an adequate supply of funds being available to pay each claim as it comes due. The balance sheet derives its name from the fact that the two sides balance. The left side shows all the assets of the company including all its cash and the right side shows liabilities and capital or net worth. Net worth consists of claims of stockholders against the assets. The reason the statement balances is that there are no assets that someone does not claim; hence, the assets are equal to the claims.
b. The income statement shows how the business accomplished or failed to accomplish its primary objective of earning a profit, or earning a net income. An income statement shows how a net income was earned or a net loss was incurred by listing the amount of revenue earned during the period, listing with their total the expenses incurred during the period, and showing, by subtracting the expenses from the revenue, the amount of net income or net loss. The term net income is used when revenues exceed expenses and the term net loss when expenses exceed revenues.

<u>Reading the Financial Pages of Newspapers</u>.--In the business section the reader can find all sorts of information about business conditions. He frequently can find columns written by or quoting economic experts. The experts, however, don't always agree, and the reader must be careful to differentiate between the facts and the opinions. There is data on national employment, prices of many goods, production figures, sales and inventory records, and earnings of companies. In the financial section the reader gets a statistical record that normally covers two to three thousand prices of such varied things as stocks, bonds, money loaned for different periods of time, basic commodities and futures, textiles and the cash prices of farm produce.

20. DIVISION OF FRUITS OF PRODUCTION

Division of Production in a Capitalistic Society.--Basically, in a capitalistic system one is permitted the use of all that he produces. However, in a modern exchange economy, with an almost endless array of specialized activities and products, the producer does not literally consume the immediate results of his own efforts, as a rule, and hence the operation of the principles of division according to contribution is not subject to tracing in physical terms.

Possible Alternatives for the Division of Production and Their Economic Implications

a. Division in proportion to power.--There is no great difference between sheer piracy and seizure of goods by a group who have acquired political power. Even when the excuse of promoting the "general welfare" is used to flavor the transaction it still may be a case of might makes right.
b. Division in proportion to need.--This is the idealistic view that everyone should produce in accordance with his ability and consume in accordance with relative need. A slight knowledge of psychology would tell one that such a system would encourage lower production and loafing when the opposite is needed.
c. Equal division.--Without production there can be no conserving, and any policy that does not provide for maintaining production or that results in a materially declining output, will not increase the average standard of living. Equal division of the fruits of production could not possibly encourage a greater production because of lack of incentive for the potentially higher producers.

Consequences of a Change in Philosophy Concerning Division of Production in the United States.--The only possible way to increase the average share of the consumer is to expand production, and with a decline in output the average share is bound to be reduced. It would seem that any change in philosophy concerning division of production in the United States would surely lead to lower production. Indeed, certain governmental policies that have been and are being put into effect do just that. Our efforts should be directed toward reversing the trend toward division of production on the basis of anything other than contribution to the productive process.

21. SOCIAL SECURITY

Forms of Social Security

a. Workmen's compensation.--Compensation in the form of payment of medical and hospital costs or direct payment for accident or death on the job.
b. Unemployment insurance.
c. Old-age pensions.--Solely a form of relief and granted on the basis of age and need, without regard to previous occupation.

d. Old-age insurance and annuities.--Paid solely on the basis of past contributions to the fund and without regard to the wealth of the individual.

Who Provides for Social Security and Degree to Which It Should Be Provided.--Both the employee and the employer are involved in providing for social security. The employer, however, is quite often able to pass his share of the burden on to the consumer. He does have the incentive, however, to reduce accidents and unemployment because such reductions will reduce the expense he passes on to the consumer, thus placing him in a more favorable competitive position.

There are those who believe that social security programs encourage a type of action that is bad for the economy of the country. They say that with social security comes deterioration of individual initiative and less saving and conservation. They say that the care of the aged and the sick should be the responsibility of the family and only in those cases where the family is totally unable to assume its responsibilities should governmental aid be provided.

Social Security and Politics.--Social security is a real political plum. Those who have not thought through its various social and economic implications are particularly apt to be taken in by those politicians who want nothing more than to win an office even if it means the undermining of the American way of life. This is but another point where politics and economics are incompatible and there is every reason to believe that politics has the upper hand. We must be continually on the alert to avoid the substitution of social idealism for sound economic reasoning.

22. PRICE DETERMINATION

Effects of Supply and Demand.--Supply is the quantity of a good that sellers are willing to offer at various prices under a given set of conditions. Sellers will offer more goods for sale as prices increase and will offer less for sale as prices decrease. The reaction of sellers to price changes is just the opposite to that of buyers. Buyers tend to increase purchases with each decrease in price; suppliers tend to reduce the quantities offered for sale as price decreases.

Elasticity of Demand and Its Relation to Price.--Elasticity of demand is the extent of the change in quantity that accompanies a given change in price. If the quantity that would be purchased increases at a faster rate than the price decreases, the demand is elastic. If the quantity that would be purchased increases more slowly than the price decreases, the demand is inelastic.

Equilibrium Price As Set by Supply and Demand.--Demand alone cannot determine price. Supply must also be taken into account. Under perfect competition the price of a commodity will be determined by the relationship between demand and supply. A price determined in this way is called an equilibrium price.

Effects of Competition on Price.--Ordinarily competition will lower the cost of a commodity. The seller, in order to sell more, must sell at a lower price and this would mean in many instances less profit for the seller. In cases where competition leads to inefficient operation of the sellers because of low sales, etc., higher prices might result from the competition.

Results of Government Price Controls.--The price system is the control board, the regulator, the thermostat by which economic conduct is determined in a private enterprise economy. This system requires no planning boards, no bureaus, no time-consuming hearings, no costly political machinery. Any attempts to control it will necessarily result in an unnatural situation.

23. TECHNOLOGICAL PROGRESS

Technological Progress and Economic Fluctuations.--The prevailing view is that technological progress tends to lower the price level, not only because it reduces the cost of production of goods per unit of output, but also because it increases the supply of goods. On the basis of popular definition of inflation as "too much money chasing too few goods," any increase in the volume of goods should be expected to produce a disinflationary effect. This assumption that higher output should make for lower prices is correct--unless the increase in the volume of goods is accompanied by an increase in the volume of money. But that is precisely what is liable to happen when production is increased in circumstances involving an increase in the aggregate cost of production.

Other things being equal, technological progress reduces the extent of inflation caused by expanding production. The effect of expansion on prices is bound to be more moderate if it is achieved through technology, resulting in an increased productivity per man hour, than if it is achieved by attracting workers from other occupations, or by working more overtime. It seems that technology, like an increase of taxation, tends to exaggerate deflation during deflationary periods and inflation during inflationary periods.

Implications for the Standard of Living of the American People.--The primary factor involved in the raising of the overall standard of living of the peoples of the world is production. Without more production, or more effective utilization of available production, there can be no raising of the standard of living. Technology cannot necessarily bring about more effective utilization of present production but it can cause an increase in production. In this way, more products and services are made available to the people and therefore an increase in the standard of living is effected.

Employment and Technological Progress.--A basic argument that always develops in any discussion of technology is that technology will cause wholesale unemployment. This is contrary to what has been found to be true in the history of technology. There is no reason to believe that the introduction of labor-saving equipment will reduce the number of people employed in the least. On the contrary, it has been found that technology might very well increase opportunities for employment in an expanding economy such as that that we are experiencing today. This is possible because the greater amount of production made possible by technology and the reduced cost of that production enables consumers to buy more products, therefore causing a greater demand and a greater number of workers necessary to satisfy that demand.

Sharing the Benefits of Technological Progress.--The conflicting claims of employers, employees, and consumers has been subject to heated controversy in which each interested party has been accusing the other of trying to secure an unduly large share of the benefits derived from technology. Labor's claim that it is entitled to the full benefit from any increase in productivity resulting from technology is surely morally untenable. Labor has not contributed toward the progress of technology. Indeed in many instances it has done its best to prevent or delay its progress. From the standpoint of equity, there is everything to be said for the utmost degree of price reductions so that the largest possible number of people would be able to enjoy the benefits of progress. Shareholders, too, are entitled to a portion of the benefits of technology. After all, it is their money that acquired the modern equipment. From an economic point of view, it is essential to encourage risk capital for new ventures and increased utilization of new equipment. Encouragement must be given through reasonable dividend increases.

Beyond doubt the allocation of technology benefits presents some very difficult problems. It is possible to make out a strong case for or against any of the one-sided solutions advocated by the interests concerned. What is needed is to find some intelligent compromise in which all legitimate interests would be reconciled with each other and with the public interest.

24. LABOR

Development of Labor Organizations.--Before the industrial revolution, production was carried on by handicraft methods in small home shops, and the typical handicraft worker was an independent businessman. The industrial revolution brought about a need for factories and factory workers. Naturally these factories were owned and operated by capitalists and as the factories grew, the individual worker became rather helpless in dealing with his employer. This situation led to organization of unions so that workers could deal with employers on something like equal terms.

Advantages and Disadvantages of These Organizations.--Labor unions have definitely bettered the living conditions of workers. They have given the worker a sense of security and worth that he could never have gained any other way. While providing the worker a decent wage and decent working conditions, the economy has been helped. More money being paid to workers makes it possible for them to purchase more goods and services and thereby enable business to sell more.

There are also disadvantages involved. Labor has not been satisfied with any particular level of pay but have exerted pressure to obtain a bigger and bigger share of the fruits of production. In doing this they have engaged in activities which are bad for the economy of the country. As an example, restriction or limitation of output has been engaged in. This is clearly against a basic principle involved in the raising of the standard of living--each person must produce more.

<u>Methods by Which Unions Achieve their Demands</u>.--The principal weapons of organized labor are the strike and the boycott. A union often attempts to increase the effectiveness of both strikes and boycotts by picketing. In rare cases, organized labor has resorted to sabotage.

<u>Economic Implications of the Desires of Unions</u>

a. Restriction of Output.--Unions sometimes take the position that there is a limited amount of work and that work should be stretched over a long period of time. This assumption is false and tends to undermine what we believe to be true regarding the standard of living. When there is restriction of output, the consumer pays more for what he buys and thus his living standard is affected.
b. Shorter Work Week.--A shorter work week can be justified only if production per man hour is increased. When this is done through worker efficiency, a strong case can be made for a shorter work week.
c. Jurisdictional Restriction.--This quite often leads to overspecialization and inefficiency. Ordinarily, specialization results in economy of operation but if carried to an extreme, wasteful overlapping of effort results and greater costs are incurred.

25. CONSUMER BUYING

<u>Use of Consumer Buying Guides and Information</u>.--Several magazines provide guarantees of the products advertised in the magazine. <u>Good Housekeeping</u> and <u>Parent's Magazine</u> are examples. <u>Parent's Magazine</u> is considered to be the better of the two because it hires all its testing done by an independent commercial laboratory.
There are in this country two major sources of private testing data for consumers, commercial and consumer supported testing services. The quality and price information obtained through such testing services is the result of the judgment of experts. Examples of commercial testing firms are the United States Testing Company and the Better Fabrics Testing Bureau. Consumer-supported testing firms are

Consumers' Research, Inc. and Consumers Union. Each of these organizations publish reports of their findings.

Obtaining the Most Desirable Combination of Quality and Quantity of a Product Consistent with Price.--It is becoming increasingly difficult for consumers to make wise decisions concerning the needed quality of a product purchased. There are many more products from which to choose. There is less personal contact between buyer and seller. Modern packaging techniques make it difficult to examine products. Thus it is necessary for consumers to study very carefully all the available information concerning the products to be purchased. The consumer should not buy a greater quality of product than he needs for a particular purpose if he must pay more for the extra quality. Buying high quality beefsteak to be ground into hamburger, for example, would be an unwise purchase.

Buying Specific Products and Services Such As Food, Automobiles, Homes, Etc.--One who wants to control food costs and get maximum nutritional value from the food he buys must analyze his own buying habits to see whether he is: (1) getting the best dollar values, (2) buying at the best time, (3) buying in the most economical quantity, (4) getting quality in relation to money spent, and (5) selecting specific grades or quality for specific uses. The basic function of food is to provide nutrient values for all the family with maximum satisfaction for all.

Next to food, housing is the greatest need of every family. Today, families spend from 25 to 30 per cent of their total income on shelter. Where such a large percentage of income must be spent for housing, it is wise to give close attention to the problems of securing satisfactory shelter at an economical cost. Every family must decide whether to rent, buy, or build a home. Since a home is the base of family operations, it deserves first place on the family spending plan.

Need for Conservation of Consumer Goods and Public Property.--A basic factor involved in the determination of the standard of living is wise use of available products and services. If people are wasteful, they have less available for use and a consequent lower standard of living. This is no less true of public property since public property is property purchased cooperatively. Individuals have use of public property in one way or another and if there is less available for use, their standard of living is affected.

26. INVESTMENTS

Desirability of Saving Part of Earnings.--Many factors are involved which make one's ability to earn a livelihood through work uncertain. He might lose his job, become ill, retire, etc. A person needs some protection against such a possibility. People usually have financial needs at various times during their lives that cannot be met by current earnings or by financing. A reservior should be available to take care of such needs.

Various Savings Systems Available

a. Keeping cash under mattress or in cookie jar.
b. Cash balances in bank demand deposits.
c. Holding savings deposits.
d. Accounts in credit unions.
e. Shares in savings and loan companies.
f. Buying equities in pension funds.
g. Annuities.
h. Life insurance.
i. Savings bonds or other governmental securities.
j. Postal savings systems.
k. Capital assets such as homes.
l. Personal small enterprises.
m. Corporate stocks or bonds.

Difference Between Investing and Speculating.--Ordinarily a purchase of securities for the purpose of obtaining income in the form of interest or dividends is considered an investment. A speculation is the purchase of securities on the chance of appreciation in market price. Most people would be better off investing in conservative investments such as government bonds. Only if one has a degree of wealth should he buy stocks and bonds of private companies. People who do not know much about investing in securities should invest in conservative securities.

Kinds of Investments Available

a. Bonds.--Bonds represent a promise on the part of the issuer to pay to the holder a stated sum of money at a fixed time with interest payable at a fixed rate. They are the same as notes except they have a longer maturity and there is more formality surrounding their issuance. Advantages: (1) A steady and fixed income is derived, (2) Bonds are safer than other types of investments, (3) Principal will be paid at a determinable time, Disadvantages: (1) Interest and maturity value is fixed, therefore there is not reflection of growth, (2) Inflation might lead to comparatively low income, (3) Bondholders exercise no control in the issuing company.
b. Stocks.--Stock represents ownership in a corporation. Stock in a corporation is divided into shares represented by a stock certificate which is held by the owner of the shares. Advantages: (1) There is a possibility of growth in value as well as increasing annual earnings, (2) A degree of control is exercised by the stockholders in the business in most cases. Disadvantages: (1) Not as safe as other securities, (2) Amount invested in stock is not always readily obtainable, (3) Stockholders are sometimes subject to lose more than the amount invested.

Determining the Most Appropriate Investment to Make.--Ordinarily one shouldn't (a) buy securities of a new company or industry, (b) buy securities of small companies, (c) buy securities of local companies, or (d) buy unlisted stocks. One should be financially able to stand the loss of principal without it seriously affecting himself and his family if he invests in speculative securities. One should diversify his investments.

Sources of Investment Information

a. Financial statements of the business in which one is interested.
b. Moody's Investors' Service.
c. Standard and Poor's Corporation.
d. Current newspapers and magazines--the Wall Street Journal, New York Times, etc.

27. GOVERNMENT BORROWING AND CREATION OF NATIONAL INCOME

Government Spending to Prevent Deflation or to Cause Inflation.--During a period of business decline, since other investment opportunities are rare, the presumption is that government spending will act to reduce the extent of deflation. This is accomplished through "facilitating the process of disinvestment." New government spending enables certain individuals to buy merchandise they would not otherwise be able to buy. This provides an opportunity for businessmen to decrease their investments in inventory either by not replacing merchandise at all or by replacing it with less expensive merchandise. This may prevent the dumping of inventories on markets and consequent panic prices.

Economic Effects of Deficit Spending by Government.--In order to lessen the degree of deflation, government spending made possible by borrowing must increase the money flow. That is, money must be placed in circulation that would otherwise have been idle. If money borrowed by government would have been invested by private individuals anyway, then government borrowing is unnecessary. However, if the funds would not have been invested, then funds have been prevented from becoming idle and so prevents a deflation of monetary circulation.

28. DISTRIBUTION OF NATIONAL WEALTH AND INCOME

How Wealth and Income is Distributed in the United States.--Basically wealth and income in the United States is divided on the basis of production. That is, one shares in the wealth and income according to how much he produces. What one gets for what he produces is generally determined by an appraisal mechanism--the competitive market--in which the economic worth of production is appraised through the free interplay of the attitudes and reactions of those who are producing and those desiring to make use of the production.

We do not have in the United States a perfect competitive market (one where all supply and demand influences have an opportunity to make themselves promptly and continuously felt). There are many reasons why this is true. Some of these are: (1) not all parties are equally informed, (2) there is resistence to change, (3) there is custom in particular prices, (4) there is deliberate intervention to prevent the development of a good, competitive market, (5) taxes that are discriminatory, "fair-trade" laws, and other forms of interferences, regulations, and requirements are imposed by local, state, and federal governments.

In spite of the fact that we do not have a perfect competitive market, there is good reason to believe that the appraisals made by our system are generally more reliable indices of true economic contributions than the subjective judgments of any individual or group.

Various Ways It Can Be Distributed and the Economic Consequences of Each.--If a system of division of wealth and income on the basis of production is not operative, then it follows that a part of each producer's output is diverted to someone else. This might be done in several different ways.

a. Division in proportion to power.--This might take an indirect form. A system of taxation, for example, might be instituted by those in power to achieve division in proportion to power.
b. Division in proportion to need.--Production in accordance with ability and consumption in accordance with relative need was originally a basic tenent of communism. Under such a system, few would produce to capacity. Dependency and neediness would be encouraged.
c. Equal division.--Without production there can be no consuming and without increased production there can be no increased standard of living except in those cases where more efficient use is made of available production. Any policy that does not provide for maintaining production or results in a materially declining output will not increase the average standard of living. A system of equal division would obviously encourage reduced production since one will not put forth the extra effort needed to produce more if he cannot benefit from the effort.

Possible Effects of Redistribution of National Wealth.--Proposals for redistribution take many forms--communism, nazism, fascism, socialism, planned economy, and welfare state. The ultimate end is always state ownership and control of the means of production. They are all parasitical as distinguished from productive devices. For example, no nation has ever gotten its start through socialism. Communalization presupposes the existence of a healthy economy precisely as a mistletoe presupposes the existence of a live tree. It is probable that the great experiment in socialism in England today could not long exist without subsidization from the United States.

If wealth and income in the United States were equally divided, the per capita net worth would still be small in terms of an adequate standard of living. Naturally, the lot of the many below-average producers would be improved, provided production could be maintained under such a system. It is hardly credible, however, that the above-average producers would continue to produce as before knowing that they would be allowed to use no more than the average share.

29. USE OF MONEY

Carrying Money Safely While Traveling.--It is unsafe for a person who is traveling or who is on a vacation to carry a large amount of money with him. Yet personal checks are usually inadequate because strangers are not willing to accept them. There is need for something that will be both safe and readily acceptable. Travelers' checks serve this purpose. They can be cashed almost anywhere. And if they are stolen they cannot be cashed by the thief. Travelers' checks may be purchased at banks, railroad offices, or express offices in denominations of $10, $20, $50, and $100.

Obtaining Money When Away from Home.--Where speed is essential, sending money by telegraph may be the best solution. If one needs money, he might wire a friend or relative in another city or in another state and ask for money. The friend or relative might then pay the telegraph company in his own city the amount requested plus a charge for the service. A message also might be included.

Sending Money by Mail Safely.--The most common method of sending money by mail is by way of a check. If there is reason to desire the check to be accepted as good immediately by whomever it is mailed to, the check might be certified by the bank. The bank merely writes across the face of the check that it is certified. For the same reasons, a cashier's or treasurer's check might be used. Also, registered checks or money orders might be used.

Safeguarding One's Money When Cashing Checks for Others.--The indorsement on a check is important insofar as safety is concerned. A blank indorsement is not safe if the check is to be held for some time or sent through the mails. A special indorsement is safer than a blank indorsement. It includes the name of the person to whom the amount is to be paid. A restrictive indorsement should be used when mailing a check to one's bank or sending checks for deposit by a clerk or messenger.

The Detection of Counterfeit Money.--One of the best ways to discover a counterfeit bill is to compare it with one that is known to be genuine. Genuine bills are printed on unusual paper that contains extremely small red and blue silk threads. The lines, the portrait, and the figures on the counterfeit bill are likely to be dull, smudgy, broken, poorly printed, and unevenly spaced. Counterfeit coins, when dropped on a hard surface, will usually sound dull. Genuine coins have a bell-like ring. Most counterfeit coins feel greasy; the corrugated outer edge of counterfeits are uneven, crooked, or missing in spots; and most counterfeits can be easily cut with a knife.

30. AGRICULTURE

Economic Problems of Agriculture.--The farmer is injured by some special privileges granted to other groups. The American tariff policy forces the farmer to buy in a domestic market while he must sell in a world market. Labor unions are allowed to organize quasi-monopolies of their craft to raise wages, which practice increases the prices of many of the products that the farmer must buy. The farmer must sell in a highly competitive market.

Price Supports for Agricultural Products.--A serious criticism of price supports for agricultural products is that they take no account of changes in demand. Thus, a farmer might be encouraged under a price support program to produce products that are not wanted nor needed. Such a thought is untenable in an economic system where a high premium is placed on efficiency.

Utilization of Surplus Commodities.--Provided we choose to continue price supports for farm products, we must find some way to dispose of the surplus that results. We might (1) destroy the surplus, (2) dump it on foreign markets, (3) utilize it at home in such ways as school lunch programs, (4) set up production and marketing controls, or (5) carry on research to find new uses of surplus commodities. The last seems to be the most logical solution.

Agricultural Credit Policy.--Intermediate credit is needed for the finance of long processes of production, such as the raising of cattle or the maturing of wines and cheeses. The establishment of government-sponsored institutions reflects a dissatisfaction with private institutions in the field. Private credit institutions are mostly of urban origin and might not be adequately sensitive to rural needs.

31. PRODUCTION

Economic Effects of Restriction or Destruction of Output and the Curbing of Efficiency.--It is somewhat obvious that production is the foundation of any economic system. Thus it is difficult to understand that one of the oldest and most persistent fallacies, and one saturating certain areas of governmental policy and labor union attitudes, is the view that destruction of economic goods, or limitation of output of such goods, is a route to greater economic well-being and prosperity. The plowing under of crops, the killing of livestock, or the destruction of any other useful product cannot possibly increase the average standard of living--the total volume of goods consumed in a given period divided by the total number of consumers--although it may bolster, for a time at least, the position of a special group.

The curbing of efficiency in production is usually based on the idea that there is a limited amount of work to be done and that work must be stretched over as long a period as possible. This attitude particularly has invaded the labor unions where one might find many examples of this fallacious thinking. Union leaders fail to see that if it costs a consumer twice as much to have his house painted than it would if efficient workers were used; that consumer can have his house painted only half as often or money will be diverted from some other source. Thus the standard of living of the consumer is reduced as is that of the painter eventually for any inefficient economic act, regardless of how insignificant, has implications for the standard of living of all inhabitants of the world.

Need for Balanced Production.--Increased production is not enough to provide for the highest possible standard of living. The increased production must be of commodities that have utility. If materials are produced that are of no use to the people, none benefits unless the producer is subsidized by some agency such as the federal government. In the United States today we are stuck with a most idiotic policy--the subsidization of wheat growers. Wheat is being produced that will never be consumed. How much wiser would it be if the efforts of many of the wheat growers were devoted to the production of a commodity that could be used.

Economic Advantages and Disadvantages of Large-Scale Production.--One quite often hears complaints about large businesses. Some of the complainers would often go so far as to say that all large organizations should be outlawed. However, we must admit that all is not bad with large businesses. They might be able to operate more efficiently and buy their products more cheaply because of volume of operation. Also, they might be able to accept a lower per unit profit. These savings then can be passed on to consumers in the form of lower prices. Labor and machinery may be specialized in a large industry. Men may be trained and machines may be utilized to perform one single task leading to increased efficiency and output. By-products may be utilized in a large industry that could not be in a small one because of lack of quantity. Large industries might be able to carry on research in order to find better and more efficient methods of operation. Finally, overhead costs might be lower in a large organization than in a small one because the costs can be spread over a greater number of units.

There are a number of limitations to large-scale operation. Some products do not lend themselves to large-scale operation with any greater degree of efficiency than is found in small-scale operation. Large-scale operation requires an unusual degree of managerial skill if the economies mentioned are to be fully realized. Large-scale operation may require a vast selling organization to dispose of the product and costly advertising must be used to keep up sales. There might be inherent management difficulties because of large size. Inefficiency may arise because of "red tape," hopeless delay, and decisions based on inadequate knowledge. As a result of these limitations, small producers can often compete on favorable terms with large producers.

It must be borne in mind that the decision to permit or not to permit the operation of any particular size or type of enterprise must necessarily be placed on the basis of a consideration of the contributions of the enterprise to the welfare of consumers. If efficient production of large-scale enterprises is sufficient to provide a cheaper and better product for the consumer, sufficient justification for its existence should be in evidence.

32. RELATIONS OF ECONOMIC GROUPS

Need for Cooperation and Compromise Among Occupational and Economic Groups.--There is a widespread misunderstanding as to the relation of employees and investors. As has often been pointed out by economists, there is a more basic community of interest between employee and investor than there is between employee and employee. The worker, furnishing personal service, is in competition with other persons furnishing such services; he is not in competition with savers and investors.

Interests of Owners, Management, and Employees in Reducing Costs and Satisfying Customers in a Competitive System.--Owners, management, and employees constitute a team and in order for the team to operate most efficiently the members must cooperate with one another in reducing costs and satisfying customers. By doing this, the individual members of the team will benefit as a result of a more prosperous business which is able to pay higher salaries and provide better working conditions and services.

33. CREDIT

Functions and Importance of Credit In Our Economic System

a. Credit allows sufficient elasticity in the circulation of currency to meet changing economic conditions.
b. Credit helps finance the rapid industrial and commercial growth of our country.
c. Credit does not allow a serious gap between production and consumption to arise. Consumers can therefore purchase articles even though they do not have the ready cash.

Governmental Control of Credit

a. Federal Trade Commission.--The seller must furnish purchaser with detailed itemization of his cost in installment purchases.
b. Congress and Federal Reserve Board.--Regulate credit in order either to stimulate depressed business conditions or to curb an overextension of business.
c. During wars and depressions government spends in excess of income by increased borrowing, thus increasing the amount of money in circulation.

Determining Whether Or Not To Use Credit

a. Cost of credit--service charges, interest, and the hidden costs such as higher initial price of the product or service.
b. Possibility of making the purchase without using credit.
c. Ease with which the burden of monthly payments might be borne.
d. Provisions of the contract concerning disability, paying in advance of payment due dates, and destruction or theft of property.

Cost of Various Types of Credit in Terms of Price Premiums and Interest Rates

a. Charge accounts.--Higher prices to the cash customer, service charges in some cases, interest on unpaid balances in some cases.
b. Installment credit.--Interest usually higher than a bank, hidden charges are high, in some cases title to goods is not received until goods are fully paid for.
c. Bank credit.--Usually a fairly low rate of interest, usually no hidden costs to increase effective rate of interest.
d. Credit loans.--Interest is only high enough to pay interest on savings and operation costs.

Protection of Personal Loans

a. Make sure of credit standing of person to whom money is lent by checking with local retail credit bureau.
b. Make use of life insurance or disability insurance to insure that debtor is able to pay off installments.
c. Collateral notes might be used whereby stocks and bonds are deposited as security for money owed.

34. BANKING

Nature of Banking and Functions of Banks

a. A bank is a private business organization earning its income by providing services and lending money to the public.
b. Three main functions of the bank are: (1) to accept and safeguard the money people and businesses leave with them (2) to provide a means of making payments by check so money can be withdrawn when needed, and (3) to make loans to individuals, businesses, and the government.
c. A bank sells U. S. government bonds.
d. A bank gives advice on investments, how much money to borrow, whether it is wise to buy a home, etc.
e. Some banks have legal departments to provide needed legal services.

Selecting a Bank

a. Is it a member of the F. D. I. C.?
b. Is it a national bank?
c. What are the bank's service charges?
d. What is the interest rate charged for loans and received on savings?
e. What are the services the bank offers such as extending credit, investment services, etc.?
f. Reputation of the bank for friendliness, service to customers, etc.

Use of Bank Drafts, Certified Checks, Safe-Deposit Services, Etc.

a. Bank drafts.--If payment is to be made to a business located some distance away, a depositor might give his bank a check for the amount and the bank will in turn write a bank draft. This draft is a check of the bank drawn on another larger bank. The smaller bank has on deposit an amount with the larger bank.

b. Certified checks.--A check is presented to a bank for certification. The bank ascertains whether or not there is enough money in the account to cover the check. If so, the bank certifies the check by writing across the face of the check. This guarantees that sufficient funds have been set aside to pay the check when presented. The amount of the check is subtracted from the depositor's balance and the offsetting credit is made to the bank's "certified checks" account. When the certified check is cashed, the bank retains it for its records.

35. AUTOMATION

<u>Effects of Automation on Employment</u>.--A basic argument that always develops in any discussion of automation is that automation will cause wholesale unemployment. This is contrary to what has been found to be true in the brief history of automation. There is no reason to believe that the introduction of labor-saving automatic equipment will reduce the number of people employed in the least. On the contrary, it has been found that automation might very well increase opportunities for employment in an expanding economy such as that that we are experiencing today. This is possible because the greater amount of production made possible by automation and the reduced cost of that production enables consumers to buy more products, thereby causing a greater demand and a greater number of workers necessary to satisfy that demand.

<u>Division of the Fruits of Automation Among Labor, Consumers, and Owners</u>.--The conflicting claims of employers, employees, and consumers has been subject to heated controversy in which each interested party has been accusing the other of trying to secure an unduly large share of the benefits derived from automation. Labor's claim that it is entitled to the full benefit from any increase in productivity resulting from automation is surely morally untenable. Labor has not contributed towards the progress of automation. Indeed in many instances it has done its best to prevent or delay its progress. From the standpoint of equity, there is everything to be said for the utmost degree of price reductions so that the largest possible number of people would be able to enjoy the benefits of progress. Shareholders, too, are entitled to a portion of the benefit derived from automation. After all, it is their money that acquired the modern equipment. From an economic point of view, it is essential to encourage risk capital for new ventures and increased utilization of automation equipment. Encouragement must be given through reasonable dividend increases.

Beyond doubt the allocation of automation benefits presents some very difficult problems. It is possible to make out a strong case for or against any of the one-sided solutions advocated by the interests concerned. What is needed is to find some intelligent compromise in which all legitimate interests would be reconciled with each other and with the public interest.

Implications of Automation for Inflation or Deflation.--The prevailing view is that automation tends to lower the price level, not only because it reduces the cost of production of goods per unit of output, but also because it increases the supply of goods. On the basis of popular definition of inflation as "too much money chasing too few goods," any increase in the volume of goods should be expected to produce a disinflationary effect. This assumption that higher output should make for lower prices is correct--unless the increase in the volume of goods is accompanied by an increase in the volume of money. But that is precisely what is liable to happen when production is increased in circumstances involving an increase in the aggregate cost of production.

Other things being equal, automation reduces the extent of inflation caused by expanding production. The effect of expansion on prices is bound to be more moderate if it is achieved through automation, resulting in an increased productivity per man hour, than if it is achieved by attracting workers from other occupations, or by working more overtime. It seems that automation, like an increase of taxation, tends to exaggerate deflation during deflationary periods and inflation during inflationary periods.

Raising the Standard of Living by Increased Production Made Possible by Automation.--The primary factor involved in the raising of the overall standard of living of the peoples of the world is production. Without more production, or more effective utilization of available production, there can be no raising of the standard of living. Automation cannot necessarily bring about more effective utilization of present production but it can cause an increase in production. In this way, more products and services are made available to the people and therefore an increase in the standard of living is effected.

36. BUDGETING

Building a Budget of Family and Personal Finances.--A budget will help one (a) decide what he wants most out of life, (b) live within his income, (c) achieve his life goals by properly apportioning his expenditures, (d) acquire an education in the management of money, and (e) keep records for ready reference.

Ordinarily, family budgeting can best be divided into six categories: savings, taxes, food, housing, clothing, household operation, and family development. The amount allocated to each of these categories would depend upon several factors. The first consideration would be the total income available. The total budgeted expenses and savings should equal total income. Past experience of the family would be an important indication of how the allocation should be made. The budget should be set up on an annual basis with monthly and/or weekly checks to help keep within the budget.

Managing Personal Financial Affairs After Developing a Budget.--Records must be maintained of incomes and expenditures. To help maintain a record of small expenditures, a petty cash fund might be set up so that any money taken from the fund is replaced by a voucher which explains the nature of the expenditure. Periodically, a summarization should be made to determine the success of the budget. If there are differences between budgeted and actual figures, the reason for the differences should be determined. Perhaps the budget needs revising or perhaps too much money was spent for some items.

Controlling Spending.--With the help of the budget, spending can be controlled in a scientific manner. Wasteful and unnecessary expenditures can be attacked because such waste is exposed by the budget.

Managing Bank Accounts.--A careful record should be maintained of all deposits and all checks that are written. All banks furnish check records that can be used in maintaining the proper records. Upon receipt of the periodical bank statement, a reconciliation should be made of the bank records and the checkbook records. The following steps should be taken to make the reconciliation:

a. Verify the checks received with the ones listed on the bank statement.
b. Place these checks in numerical order and compare them with the stubs. You probably will find that some checks have not yet been cashed. Subtract these from the balance shown in the bank statement.
c. Check the deposits that were listed on the bank statement with the deposits that were listed on the check stubs. Make any necessary adjustments.
d. Deduct from your check balance any service charges made by the bank.
e. Compare your new check stub balance with the new bank statement balance. If they do not agree, look for errors in your calculations or in those of the bank. Keep looking until you arrive at an agreement.

37. ECONOMIC FLUCTUATIONS

Causes and Economic Consequences of Inflation or Deflation.--Explanations of economic fluctuations may be classified in three categories:

a. Some attribute cyclical behavior to physical causes--causes acting from without the economic system.
b. Some attempt to explain the cyclical course of business in terms of psychology of businessmen.
c. Others are institutional explanations in that they trace business cycles to the workings of various economic processes.

A basic result of business fluctuations is redistribution of existing wealth. Continued inflation is good for the investor but bad for the retired person or one who is living on a fixed income. Deflation has the opposite effect.

Desirability of Control of Fluctuations.--Few people would deny the desirability of eliminating or lessening the degree of business cycles. However, such undertakings must be done with care. No proposal should ignore the fact that fluctuations of several kinds are inherent in a dynamic society, living in a varying physical environment. Widespread dissemination of reliable information regarding economic conditions tends to be helpful in keeping within reasonable bounds the activities of enterprisers, investors, and others who are making long-range decisions affecting the economy. Direct government intervention, substitution of government decision for private choice, either at particular points or throughout the economy, should be avoided.

Government Policies Used to Control Fluctuations.--The least objectionable method of government interference, with a view to moderating business fluctuations, is through monetary and credit policy. Deficit spending by government is excluded from this category. Government spending is always a poor substitute for direct private spending. The most constructive approach to the problem of fluctuations is an undertaking to maintain genuinely competitive conditions in the economy. A competitive economy contains within itself the means of prompt correction of maladjustment.

38. TAXATION

The Nature of Estate, Gift, Inheritance, Personal Property, and Sales Taxes.--The federal estate tax is a tax levied on the estate of a decedent. It is a very involved tax that requires competent legal aid when making a will. The 1932 law permits a specific exemption of $60,000 before a tax can be collected from the estate. The remainder of the net estate is taxed at the rate of 3 per cent for the first $5,000 in excess of the $60,000 exemption and graduated up to 77 per cent when the net estate is over $10,000,000.

The purpose of the federal gift tax is to prevent circumvention of the estate tax. Many people would have made gifts during their lifetime to avoid paying the high estate tax. To prevent this, a tax on gifts was enacted with rates about three-fourths as high as the estate tax. It is possible, however, to effect a saving by the proper use of gifts.

The general property tax is based on a local assessment. Local assessors make up a list of taxable property in the local units. A valuation is placed on the property, and the assessor gives the tax rolls to the town or county clerk. These rolls are open for inspection. If a citizen wants to register a complaint against what he considers a too high evaluation of his property, he can appear before a local board of review.

The Computation of Federal and State Income Taxes and How to Make Out Personal Income Tax Returns.--If a person is a citizen or resident of the United States and has a gross income of $600 or more during the taxable year, he must file a federal tax return. There are three types of forms for reporting income of individuals: Form 1040A, Short Form 1040, and Long Form 1040. Several factors are involved in determining which form must be used or is more advantageous to use. Married persons normally might use a joint or a separate return. Usually, it is advantageous for a married couple to file a joint return using the "split-income" method of computing the tax.

Each taxpayer is allowed an exemption of $600 for himself and $600 for his wife and an additional $600 for each dependent. In addition, the taxpayer might choose to take a deduction equal to 10 per cent of his adjusted gross income or several categories of "itemized" deductions. The itemized deductions are medical and dental expenses, contributions, casualty losses, taxes, and interest.

39. BUSINESS PROFITS

<u>Reasonableness of Business Profits</u>.--A study of the record made by business in general would indicate that it is not so easy as the outsider may think to make a profit in an accounting sense. In fact, many misconceptions exist about profit margins, which from the accountant's point of view are what remain after all expenses and costs are met. For the most part, profit margins generally are believed to be much higher than they are. In boom years, profits usually do become substantial, but heavy losses are incurred by many business concerns during depressions.

<u>Relationship Between Profits and Risks</u>.--The relationship between risks and profits is as follows: In the hope of securing profits, employers take risks. Furthermore, because of the risk involved the number of employers will be limited. When the number of units of any factor is limited, marginal productivity ordinarily is higher than when the number of units is great. Consequently, to the extent that danger of failure because of the risks involved limits the number who enter a certain field, successful businessmen will receive higher rewards than they could get in industries where risks are less.

<u>Profit As An Incentive for Investment</u>.--A major element necessary for an expanding economy is investment by the American people in business enterprise. Without the investment there can be no expansion. Entrepreneurs will not invest their money unless there is a chance for profit to accrue from the investment. Few people would be willing to invest and assume the risks involved if there was no chance for profit.

APPENDIX D

LETTER OF ENDORSEMENT

Oklahoma City University

OKLAHOMA'S METHODIST UNIVERSITY

JACK STAUFFER WILKES, President

Oklahoma City 6, Oklahoma

November 29, 1960

To Oklahoma City University Alumni and Faculty:

Mr. Charles Walker from the University of Oklahoma is conducting a research study that promises to be of value in curriculum development at Oklahoma City University.

This study will involve a group of Oklahoma City University alumni and faculty as respondents selected on the basis of demonstration of success in their respective occupational endeavors. You are one of those chosen to participate in the study.

We should greatly appreciate your cooperating with Mr. Walker.

Willis J. Wheat

Willis J. Wheat, Dean
School of Business

Jack Stauffer Wilkes

Jack Stauffer Wilkes
President

APPENDIX E

LIST OF RESPONDENTS

FACULTY

	Name	Title
1.	Roy M. Black	Instructor in Electronics
2.	Clarence A. Burg	Dean, School of Music
3.	John L. (Jack) Cogdill	Professor of Speech
4.	William J. Crowe	Associate in Law
5.	E. Foster Dowell	Associate Professor of Public Management and Economics
6.	Ted Foster	Assistant Dean, School of Law
7.	C. Henry Gold	Director of Community Relations
8.	Clifton L. Grossman	Assistant Professor of Journalism
9.	Donna Christene Hansen	Assistant Professor of Mathematics
10.	John T. Hedges	Professor of Business Law and Economics
11.	Milton W. Higgins	Assistant Professor of Business Administration
12.	Jacob Doyle Hoover	Associate Professor of Speech
13.	Hope Housel	Professor of Modern Languages
14.	James H. Jackson	Associate Dean, School of Engineering and Industrial Technology
15.	Robert Lee Jones	Dean of Men
16.	Donald T. King	Professor of Education
17.	Rob Roy MacGregor	Professor of History
18.	Nellie Rushing Melton	Dean of Women
19.	James Neilson	Professor of Music Education
20.	Max V. Poffenberger	Associate Dean, School of Business
21.	Acton Porter	Associate Professor of History and Political Science
22.	Fred B. Robson	Dean, School of Engineering and Industrial Technology
23.	Donald R. Seely	Instructor in Geology
24.	Richard J. A. Struck	Assistant Professor of Journalism
25.	Dolphus Whitten, Jr.	Dean of Administration

ALUMNI

	Name	Occupation
1.	Ad Acers	Assistant Principal, Classen High School
2.	Katherine Alexander	Accountant, Capitol Paper Company
3.	Merial Angelo	Proprietor, Angelo Advertising Company
4.	Glenn L. Barnes	Proprietor, Barnes Insurance Company
5.	S. Karl Bean	Engineer, City Water Department
6.	Paul Bell	Assistant Cashier, Central National Bank
7.	Paul Bennett	Vice-President, Semco Color Press
8.	Robert L. Birdwell	Assistant Executive Director, Oklahoma Medical Research Foundation

9.	William W. Blackledge	Traffic Manager, State Department of Commerce and Industry
10.	James B. Bruno	Proprietor, Bruno's Mattress and Furniture Company
11.	William S. Burt	Proprietor, Burt's Business Machines
12.	Ralph Butterfield	Administrator, Deaconness Hospital
13.	Roscoe Clark	Accountant, Southwestern Bell Telephone Company
14.	Maybelle Conger	Chairman, Department of Speech, Central High School
15.	Robert M. Constant	Realtor
16.	Earl F. Crabtree	Engineer, Phillips Petroleum Company
17.	Curtis B. Day	Superintendent of Operations, Oklahoma-Kansas Division of Arkansas-Louisiana Gas Company
18.	Harry L. Deupree	Physician--Obstretrics & Gynecology
19.	Raymond Doty	Oil Broker
20.	Raymond Doty, Jr.	Insurance
21.	Ed Doyle	Statistical Analyst, Sohio Petroleum Company
22.	Gene Eddie	Vice-President, Superior Feed Mills
23.	Robert Felix	Pastor, Lambuth Methodist Church
24.	Sylvanus Felix	Attorney and Tax Consultant
25.	Mrs. Earl Foster, Sr.	Active Civic Worker
26.	Henry Friend	Postmaster
27.	Charles L. Fuson	Executive Secretary, Oklahoma Bankers Association
28.	Joseph H. Gaudin, Jr.	Internal Revenue
29.	Purcell Graham	Head, Estate Tax Division, Internal Revenue
30.	Colbert Hackler	Director of Music, University of Oklahoma High School
31.	Loda Hall	Retired Chairman, Department of Social Studies, Central High School
32.	Gene Hammack	Controller, Republic Supply Company
33.	Jerome Hemry	Attorney
34.	Helen C. Hicks	Principal, Madison School
35.	Leo K. Higbie	Assistant Commissioner, Oklahoma High School Athletic Association
36.	Mrs. Roy Hisel, Jr.	Director of Christian Education, Nichols Hills Methodist Church
37.	John J. Hole	Mathematician, Kerr-McGee Oil Industries
38.	Iva Mae Hollaway	Director of Christian Education, Linwood Methodist Church
39.	Grace Homan	Court Reporter
40.	Don Ishmael	Dentist
41.	M. L. Jones	Division Manager, McKesson & Robbins, Inc.
42.	Dorsey Kelly	Director, Oklahoma Medical Foundation
43.	Glenn Kiser	Manager, Credit Card Division, Kerr-McGee Oil Industries

Name	Occupation
44. Orlan Lago	Editor, Research Oil Reports
45. Richard K. Lee	President, Investors Service Company
46. Bertha Looper	Chairman, Business Department, Midwest City High School
47. Massey McCombs	Circulation Department Office Manager, Oklahoman and Times
48. Vearl McLaughlin	Loan Department, First National Bank
49. Joe Maguire	Special Agent, United States Fire Insurance Company
50. L. D. Melton	Attorney and Economist
51. A. G. Meyers	Realtor
52. Wilbur Milburn	Assistant Cashier, Oklahoma City Branch of the Federal Reserve Bank
53. Kelsie R. Miller	Transportation Engineer, Oklahoma Gas & Electric Company
54. Mrs. George F. Millsaps	Certified Public Accountant
55. Jim Moody	Secretary-Treasurer, Kroy American Oils, Incorporated
56. Albert Myers	Chemist, Electric Autolite Company
57. Don Patten	Special Instructor in Mathematics, University of Oklahoma
58. M. E. Pope	Assistant Branch Manager, General Motors Acceptance Corporation
59. T. A. Ragan	Physician, Norman, Oklahoma
60. Opal Ridenour	Teacher, Taft Junior High School
61. Edwin E. Riffel	Attorney and Certified Public Accountant
62. Matthew J. Roden	Attorney
63. Joy Elizabeth Saxon	Manager, Book Services, University Book Exchange, University of Oklahoma
64. Mrs. R. H. Sherman	Violinist
65. Howard B. Shorbe	Surgeon--Bone and Joint
66. T. Guy Spencer	Insurance Salesman, Kansas City Life Insurance Company
67. Edna B. Stevenson	Artist
68. Jack Taylor	Vice-President, First National Bank
69. Warren Tresch	Sales Promotion Manager, Sears Roebuck & Company
70. Martha Truax	Teacher, Harding High School
71. Kenneth Wendlend	Chemist, Oklahoma Gas & Electric Company
72. Clyde Whitwell	Sales Promotion Manager, Oklahoma Gas & Electric Company
73. Finley Williams	Provost, Goldthwaite Hall Affiliated Arts Studios
74. Neil Woodward	Surgeon
75. Eugene Zink	Proprietor, Northwest Publishing Company