

Assignment: Free Market and Ethical Issues



Markets are mechanisms for coordinating the set of connections of production operations that are distributed throughout the whole economic system. Thus, the market is the predominant and determining link between producers of goods and services and consumers. Accordingly, markets, as an exchange of goods and services that takes place as a result of buyers and sellers interactions, are generally considered the most efficient allocator of resources in the market economy.

However, free markets are not allowed to solve some of the social problems in a society due to various reasons. One such social problem is illegal drugs. Another example is environmental such as pollutions. For an additional example for a social problem, where supply and demand is not allowed to freely function, read the “Last Word” feature on markets for human organs on Pages 68–69 of your textbook. There are black markets (underground economy) for human organs in some countries. But a trade in human organs, based on supply and demand, raises ethical issues and hence it indicates a limitation of relying on markets to solve the social problems we have in the society.

Course outcome(s) practiced and assessed in this Assignment:

GB540-3: Evaluate ethical issues in economics.

Directions

You can write your research about social problems where the free markets are not allowed to function, which includes the market for a particular illegal good and service, a regulated market, etc.

- Select a social problem where free markets are not allowed to function, and conduct research on the social problem.
- Describe how free market features could be introduced to help alleviate the social problem through free market operations of supply and demand.
- Discuss the risks of introducing market mechanisms of supply and demand in situations where ethical issues are present.

Criteria

- Your Assignment should have a cover sheet with the following information: Title of the paper, Your Name, Course Number and Section Number, and Date
- It must be a minimum of 5 pages long (excluding title page, references, etc.)
- Be sure to include the criteria located in the rubric below within your paper.
- It must be APA formatted with citations to your sources and your last page should list all references used. (Review the APA formats found in the [Kaplan Writing Center](#))
- You must use a variety of three objective, high quality, and current sources. Peer reviewed articles, articles published in journals, textbooks, and library resources found in the KU Online Library are examples of high quality resources.
- Note that Wikipedia, Investopedia, etc. are not considered as reliable resources for this research.

Directions for Submitting

Submit your Assignment to the **Unit 1 Assignment** Dropbox by the end of Unit 1.

GB540 Unit 1 Assignment: Free Market and Ethical Issues		
Content and Analysis	Points Possible	Points Earned
Introduction and conclusion	10	
Identify a specific social problem where free markets are not allowed to function.	5	
Describe how free market features could be used to help alleviate the social problem.	20	
Discuss the risks of introducing market mechanisms where ethical issues are present.	20	
5 pages in length and at least three reliable references.	5	
Writing style, grammar, APA format (references, cover page, etc.)	10	
Total	70	