The financial organization of society

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THE FINANCIAL ORGANIZATION OF SOCIETY
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BY

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EDITOR’S PREFACE

Collegiate training for business administration is now so widely attempted that the time has arrived when experiments should be conducted looking toward the organization of the business curriculum into a coherent whole. Training in scattered “business subjects” was defensible enough in the earlier days of collegiate business training, but such a method cannot be permanent. It must yield to a more comprehensive organization.

There can be no doubt that many experiments will be conducted looking toward this goal; they are, indeed, already under way. This series, “Materials for the Study of Business,” marks one stage in such an experiment in the School of Commerce and Administration of the University of Chicago.

It is appropriate that the hypotheses on which this experiment is being conducted be set forth. In general terms the reasoning back of the experiment runs as follows: The business executive administers his business under conditions imposed by his environment, both physical and social. The student should accordingly have an understanding of the physical environment. This justifies attention to the earth sciences. He should also have an understanding of the social environment and must accordingly give attention to civics, law, economics, social psychology, and other branches of the social sciences. His knowledge of environment should not be too abstract in character. It should be given practical content, and should be closely related to his knowledge of the internal problems of management. This may be accomplished through a range of courses dealing with business administration wherein the student may become acquainted with such matters as the measuring aids of control, the communicating aids of control, organization policies and methods; the manager’s relation to production, to labor, to finance, to technology, to risk-bearing, to the market,
EDITOR'S PREFACE

BASIC ELEMENTS OF THE BUSINESS CURRICULUM

CONTROL
1. Communicating aids of control, for example
   a) English
   b) Foreign language
2. Measuring aids of control, for example
   a) Mathematics
   b) Statistics and accounting
3. Standards and practices of control
   a) Psychology
   b) Organization policies and methods

Of problems of adjustment to physical environment
   a) The earth sciences
   b) The manager's relationship to these

Of problems of technology
   a) Physics through mechanics, basic, and other sciences as appropriate
   b) The manager’s administration of production

Of problems of finance
   a) The financial organization of society
   b) The manager’s administration of finance

Of problems connected with the market
   a) Market functions and market structure
   b) The manager's administration of marketing (including purchasing and traffic)

Of problems of risk and risk-bearing
   a) The risk aspects of modern industrial society
   b) The manager's administration of risk-bearing

Of problems of personnel
   a) The position of the worker in modern industrial society
   b) The manager's administration of personnel

Of problems of adjustment to social environment
   a) The historical background
   b) The socio-economic institutional life
   c) Business law and government
to social control, etc. Business is, after all, a peculiarly organized scheme of gratifying human wants, and, properly understood, falls little short of being as broad, as inclusive, as life itself in its motives, aspirations, and social obligations. It falls little short of being as broad as all science in its technique. Training for the task of the business administrator must have breadth and depth comparable with those of the task.

Stating the matter in another way, the modern business administrator is essentially a solver of business problems—problems of business policy, of organization, and of operation. These problems, great in number and broad in scope, divide themselves into certain type groups, and in each type group there are certain classes of obstacles to be overcome, as well as certain aids, or materials of solution.

If these problems are arranged (1) to show the significance of the organizing and administrative, or control, activities of the modern responsible manager, and (2) to indicate appropriate fields of training, the diagram on the opposite page (which disregards much over-lapping and interacting) results. It sets forth the present hypothesis of the School of Commerce and Administration concerning the basic elements of the business curriculum covering both secondary school and collegiate work.

The present volume in the series is designed to give the student an understanding of the financial institutions which the manager utilizes and which largely condition his financial policies. It presents one phase of his social environment.

L. C. Marshall