

# Business, Society & Ethics

24 March, 2019 | Lecture #24



*Justification*  
For Price Gouging





## **Unit #3 Knowledge Festival**

The unit #3 exam is one week from today, on Sunday, 31 March.

You will have the full 50 minutes to complete the 50 multiple-choice questions on the exam.

The exam is open book and open notes, but closed technology.

It will only cover material from unit #3 of the course.





# EXECUTIVE COMPENSATION



# EMPLOYMENT *at will*



# SWEATSHOPS



# FOREIGN LABOR







SURGE PRICING



Demand is off the charts! Rates have increased to get more Ubers on the road.

6.25x

THE NORMAL RATE

\$156 MINIMUM FARE

+

\$7.81 / MIN & \$31.25 / MILE





SURGE PRICING



Demand is off the charts! Rates have increased to get more Ubers on the road.

6.25x

THE NORMAL RATE

\$156 MINIMUM FARE

+

\$7.81 / MIN & \$31.25 / MILE



SURGE PRICING



Demand is off the charts! Rates have increased to get more Ubers on the road.

7.0x

THE NORMAL RATE

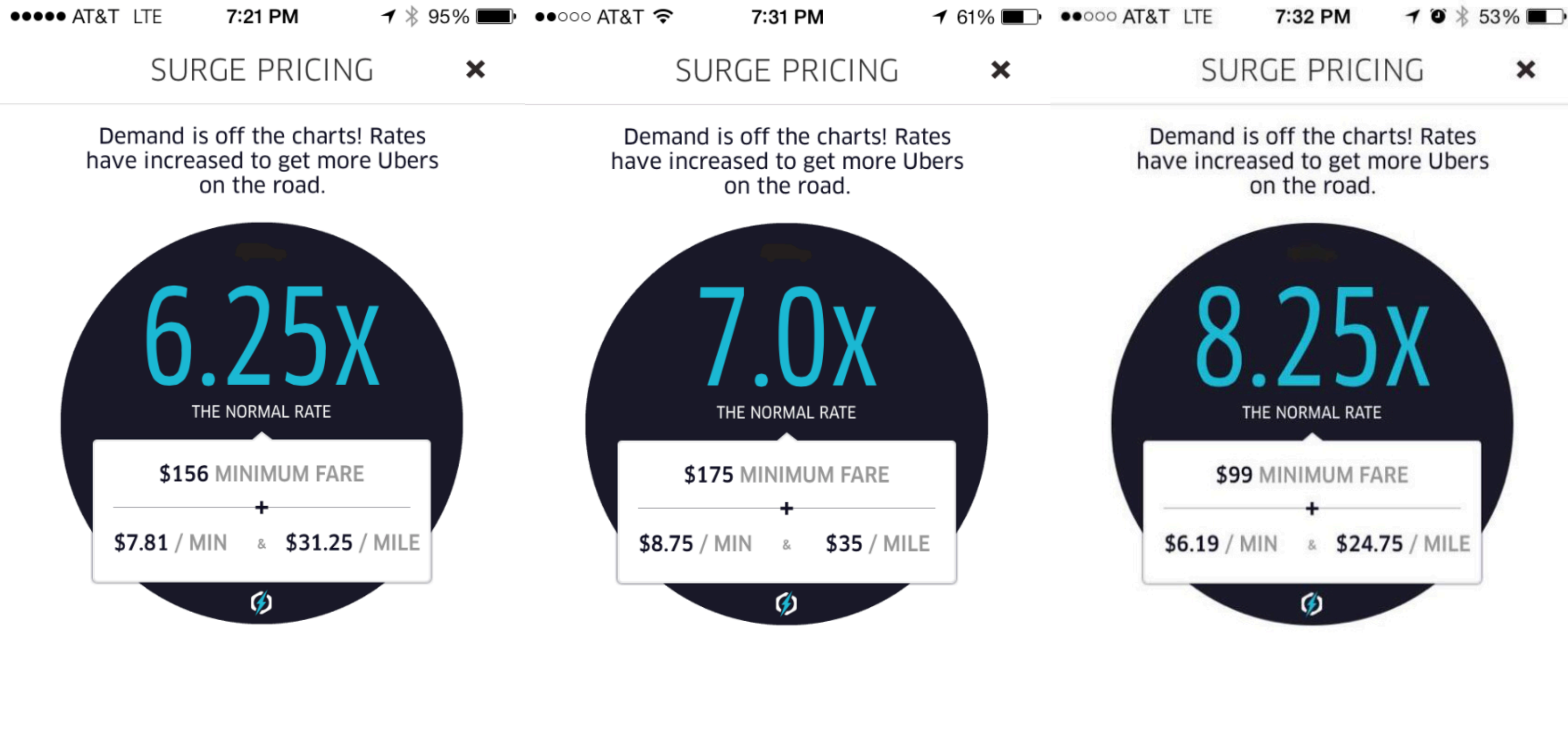
\$175 MINIMUM FARE

+

\$8.75 / MIN & \$35 / MILE











SURGE PRICING



SURGE PRICING



SURGE PRICING



SURGE PRICING



Demand is off the charts! Rates have increased to get more Ubers on the road.

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6.25x

THE NORMAL RATE

\$156 MINIMUM FARE

+

\$7.81 / MIN & \$31.25 / MILE



7.0x

THE NORMAL RATE

\$175 MINIMUM FARE

+

\$8.75 / MIN & \$35 / MILE



8.25x

THE NORMAL RATE

\$99 MINIMUM FARE

+

\$6.19 / MIN & \$24.75 / MILE



7.25x

THE NORMAL RATE

\$108 MINIMUM FARE

+

\$6.89 / MIN & \$28.28 / MILE



I ACCEPT HIGHER FARE



AT&T LTE7:21 PM95%

SURGE PRICING

×

Demand is off the charts! Rates have increased to get more Ubers on the road.

6.25x

THE NORMAL RATE

\$156 MINIMUM FARE

+

\$7.81 / MIN & \$31.25 / MILE

AT&T LTE7:31 PM61%

SURGE PRICING

×

Demand is off the charts! Rates have increased to get more Ubers on the road.

7.0x

THE NORMAL RATE

\$175 MINIMUM FARE

+

\$8.75 / MIN & \$35 / MILE

AT&T LTE7:32 PM53%

SURGE PRICING

×

Demand is off the charts! Rates have increased to get more Ubers on the road.

8.25x

THE NORMAL RATE

\$99 MINIMUM FARE

+

\$6.19 / MIN & \$24.75 / MILE

Verizon7:35 PM90%

SURGE PRICING

×

Demand is off the charts! Rates have increased to get more Ubers on the road.

7.25x

THE NORMAL RATE

\$108 MINIMUM FARE

+

\$6.89 / MIN & \$28.28 / MILE

T-Mobile 4G21:01100%

SURGE PRICING

×

Demand is off the charts! Rates have increased to get more Ubers on the road.

5.25x

THE NORMAL RATE

\$63 MINIMUM FARE

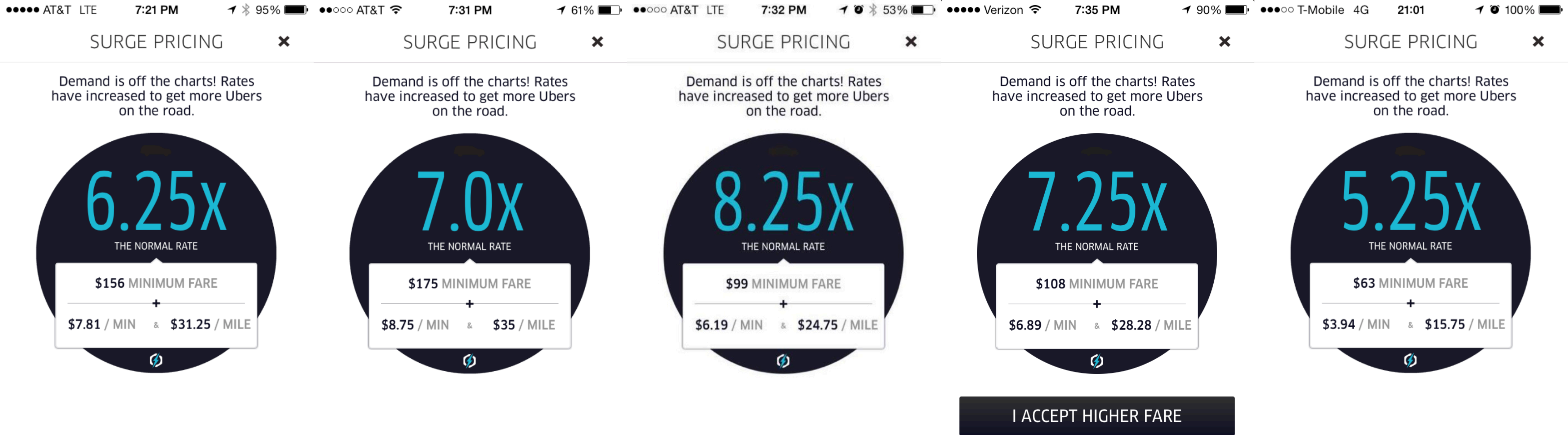
+

\$3.94 / MIN & \$15.75 / MILE

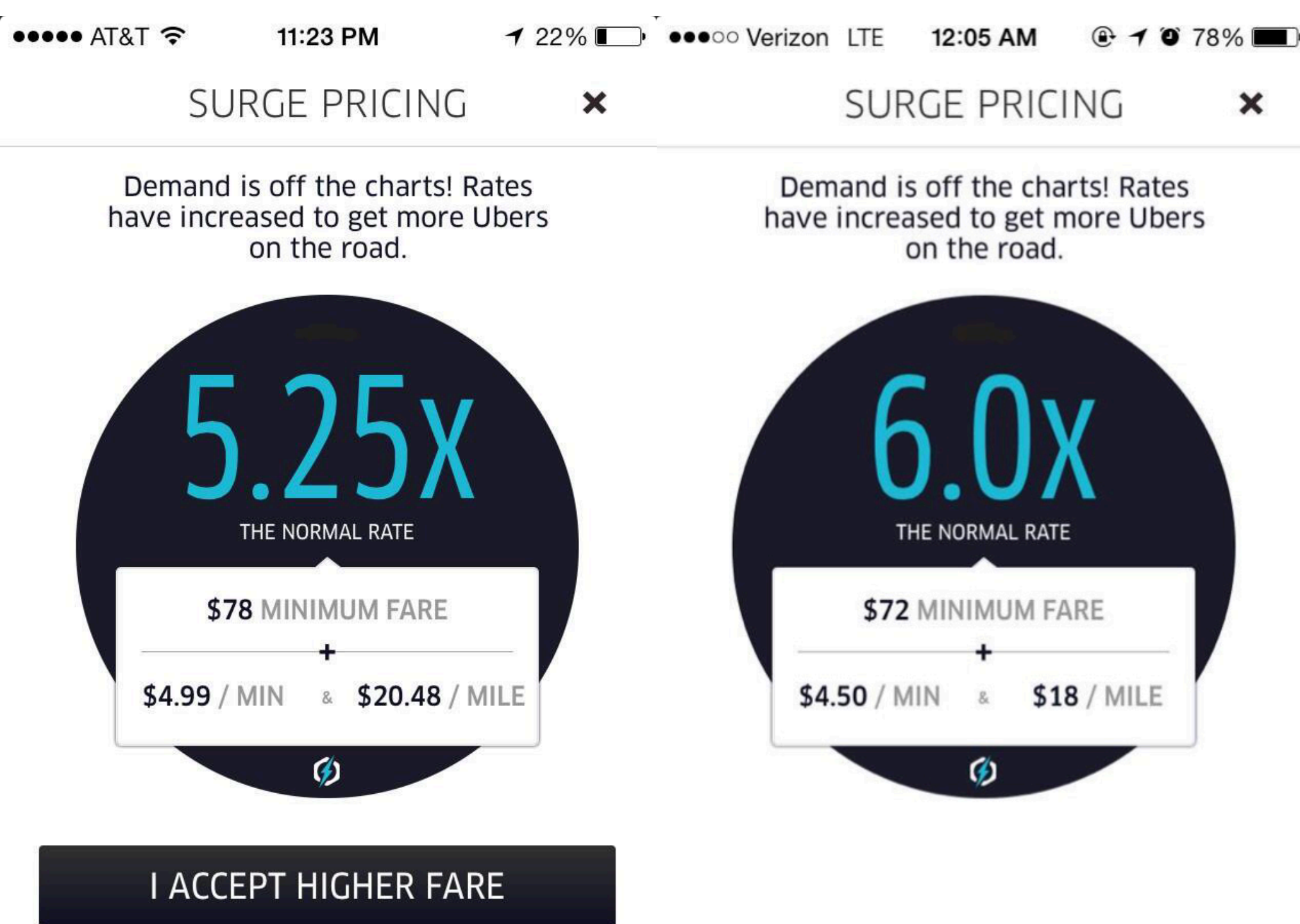
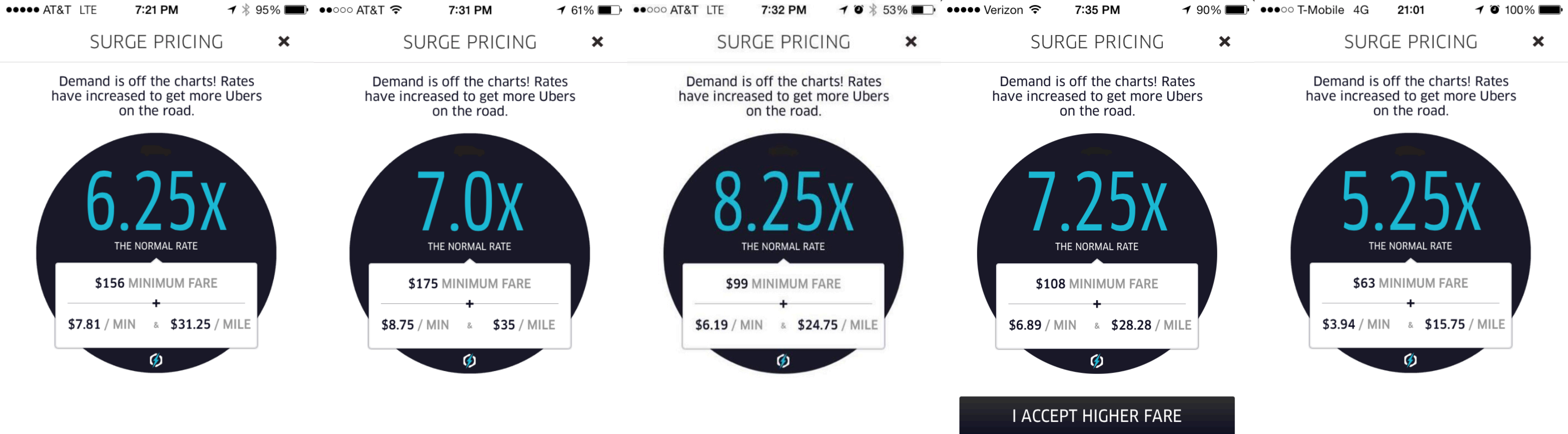
I ACCEPT HIGHER FARE

REFERENCES ON PENULTIMATE SLIDE

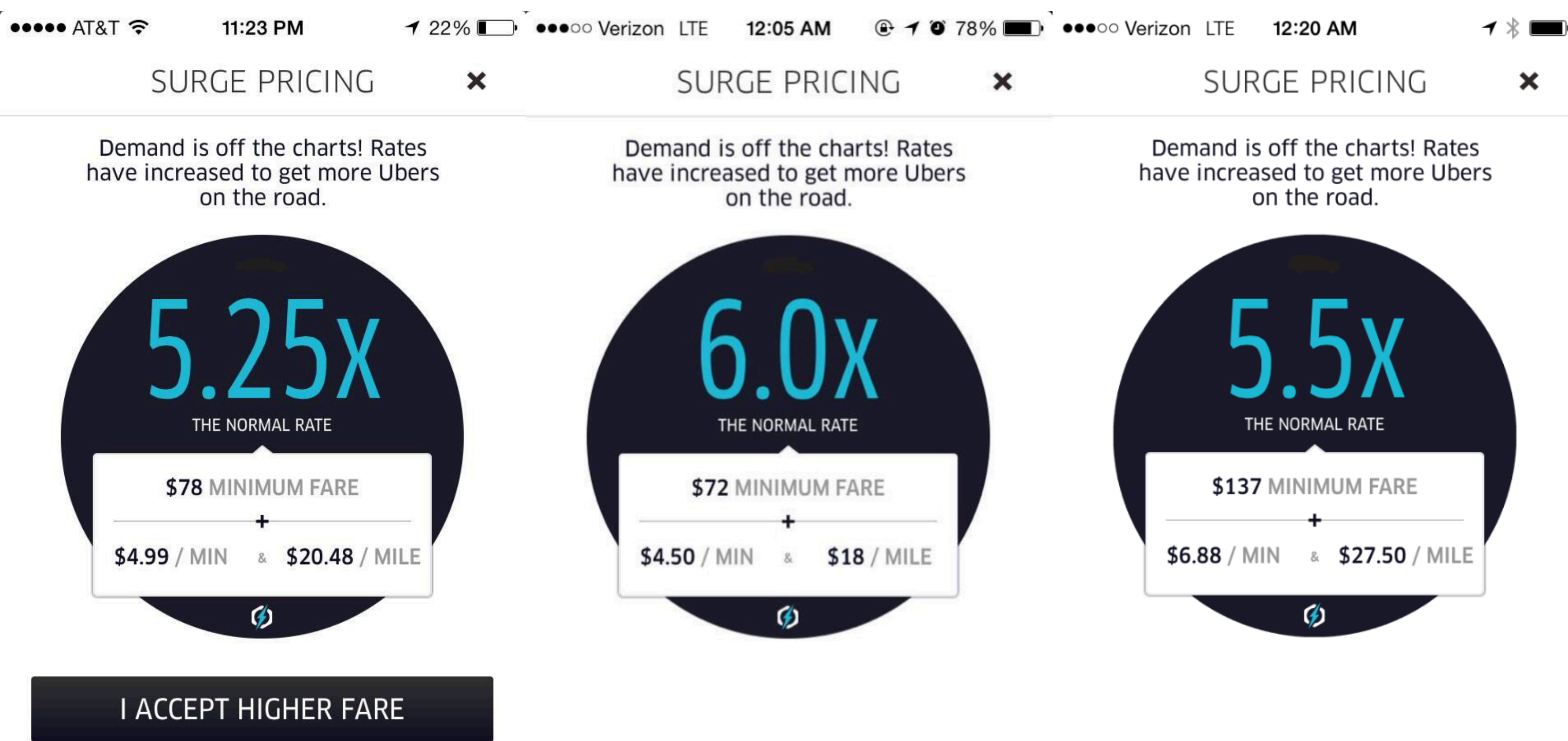
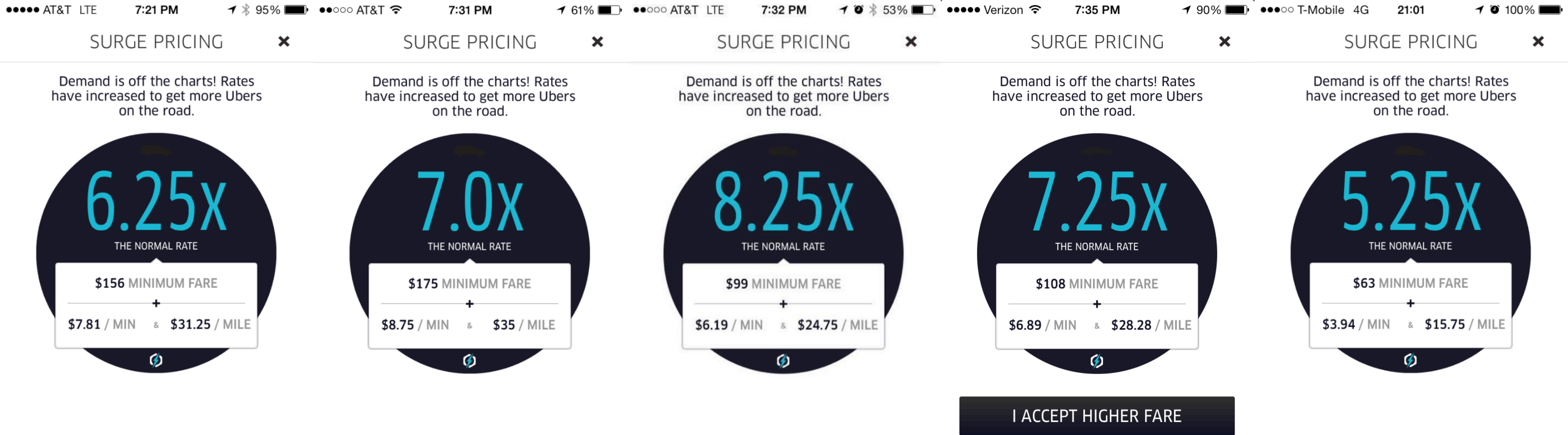




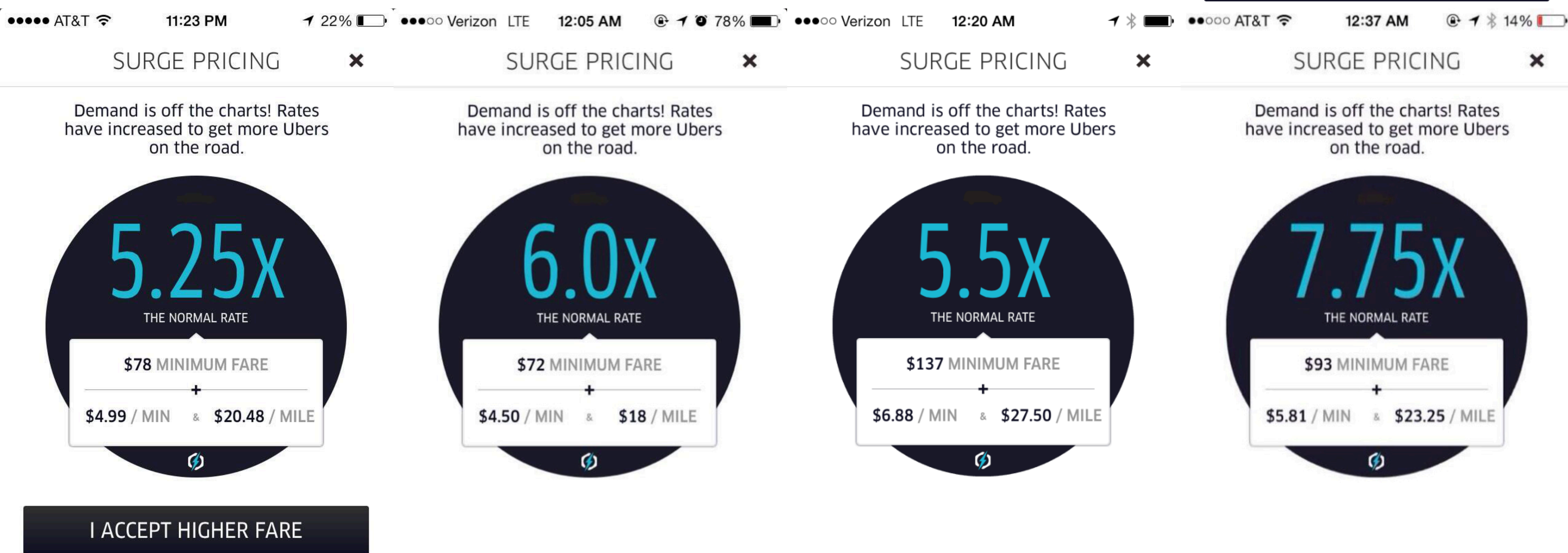
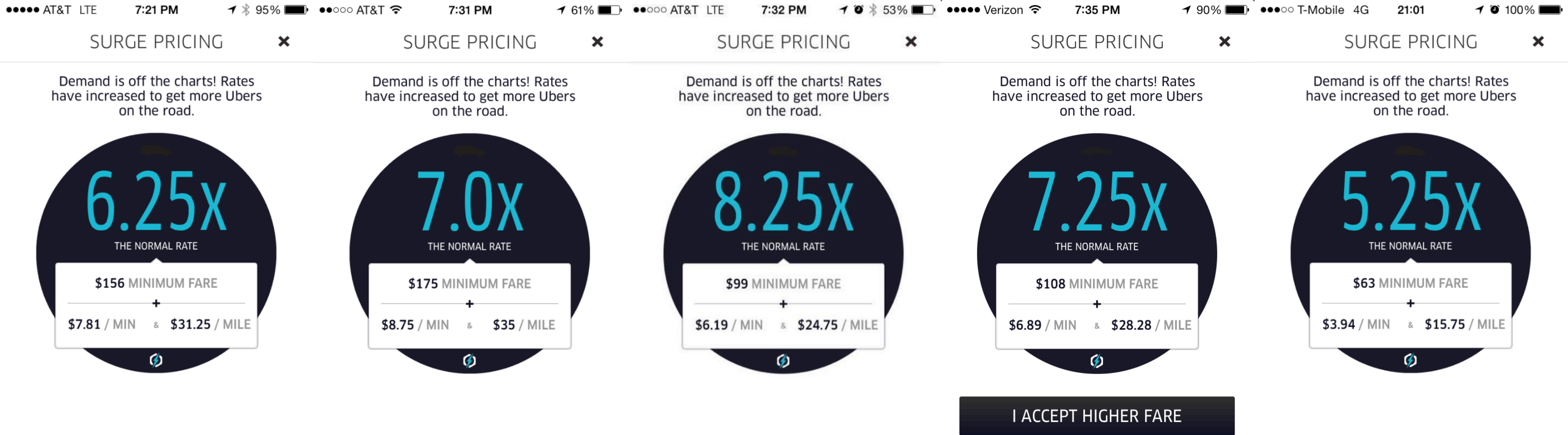








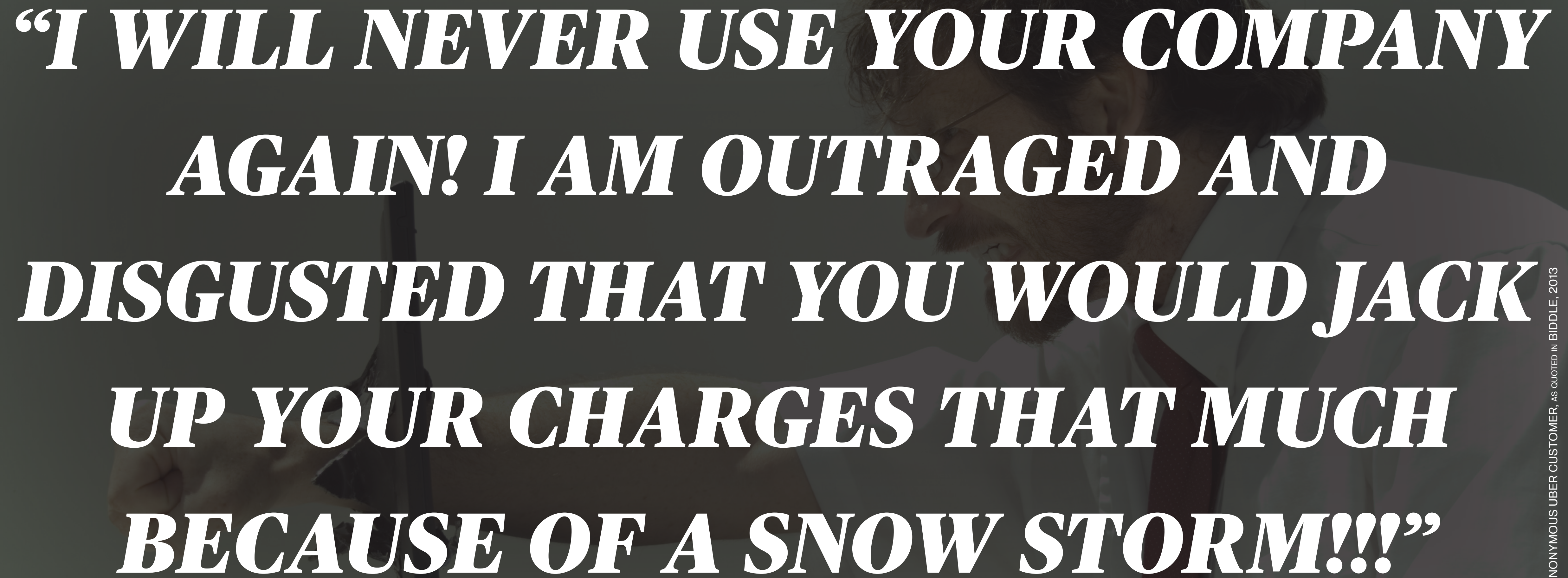












***“I WILL NEVER USE YOUR COMPANY  
AGAIN! I AM OUTRAGED AND  
DISGUSTED THAT YOU WOULD JACK  
UP YOUR CHARGES THAT MUCH  
BECAUSE OF A SNOW STORM!!!”***



# PRICE GOUGING





# Emergency

# Necessities

# Price Increase



A vertical price scale is shown, ranging from 'Cheap' at the bottom to 'Expensive' at the top. The scale is marked with horizontal lines and labels: 'Cheap', 'Reasonable', 'Moderate', 'Expensive'. Above 'Expensive', the text 'Sky High!' is written in red. The top of the scale is labeled 'Prices' in large black letters. A red arrow points upwards along the scale, indicating a price increase.

Prices

Sky High!

Expensive

Moderate

Reasonable

Cheap

A vertical price scale is shown, ranging from 'Cheap' at the bottom to 'Expensive' at the top. The scale is marked with horizontal lines and labels: 'Cheap', 'Reasonable', 'Moderate', 'Expensive'. Above 'Expensive', the text 'Sky High!' is written in red. The top of the scale is labeled 'Prices' in large black letters. A red arrow points upwards along the scale, indicating a price increase.

Prices

Sky High!

Expensive

Moderate

Reasonable

Cheap

A vertical price scale is shown, ranging from 'Cheap' at the bottom to 'Expensive' at the top. The scale is marked with horizontal lines and labels: 'Cheap', 'Reasonable', 'Moderate', 'Expensive'. Above 'Expensive', the text 'Sky High!' is written in red. The top of the scale is labeled 'Prices' in large black letters. A red arrow points upwards along the scale, indicating a price increase.

Prices

Sky High!

Expensive

Moderate

Reasonable

Cheap

A vertical price scale is shown, ranging from 'Cheap' at the bottom to 'Expensive' at the top. The scale is marked with horizontal lines and labels: 'Cheap', 'Reasonable', 'Moderate', 'Expensive'. Above 'Expensive', the text 'Sky High!' is written in red. The top of the scale is labeled 'Prices' in large black letters. A red arrow points upwards along the scale, indicating a price increase.

Prices

Sky High!

Expensive

Moderate

Reasonable

Cheap

A vertical price scale is shown, ranging from 'Cheap' at the bottom to 'Expensive' at the top. The scale is marked with horizontal lines and labels: 'Cheap', 'Reasonable', 'Moderate', 'Expensive'. Above 'Expensive', the text 'Sky High!' is written in red. The top of the scale is labeled 'Prices' in large black letters. A red arrow points upwards along the scale, indicating a price increase.

Prices

Sky High!

Expensive

Moderate

Reasonable

Cheap

A vertical price scale is shown, ranging from 'Cheap' at the bottom to 'Expensive' at the top. The scale is marked with horizontal lines and labels: 'Cheap', 'Reasonable', 'Moderate', 'Expensive'. Above 'Expensive', the text 'Sky High!' is written in red. The top of the scale is labeled 'Prices' in large black letters. A red arrow points upwards along the scale, indicating a price increase.

Prices

Sky High!

Expensive

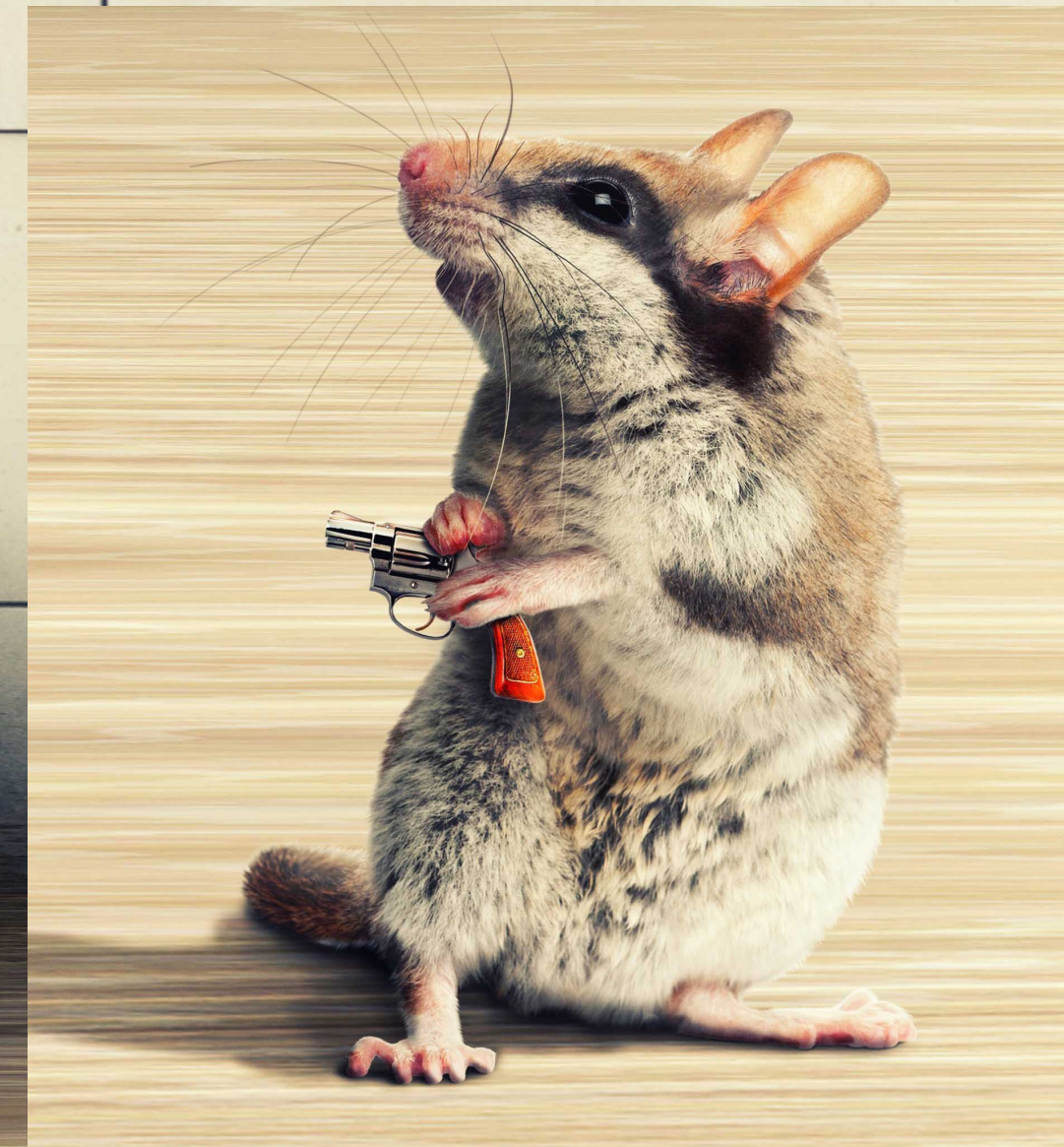
Moderate

Reasonable

Cheap



# COERCION





# INFORMED CONSENT

Signature:





# PROFITABLE OFFERS





**BASELINE OF HARM:**  
*no exchange*





# EXPLOITATION





# MUTUAL BENEFIT



A close-up photograph of a green-painted wooden door. A heavy, rusty metal chain is draped across the door, secured by a large, rectangular brass padlock. The door shows signs of age and wear, with visible wood grain and some peeling paint. Below the padlock, there are two metal keyholes. The overall image conveys a sense of being locked out or restricted.

**Business is**  
*optional*



**BASELINE OF HARM:**  
*no exchange*





# *neglect* IS PERMISSIBLE





# Neglecting



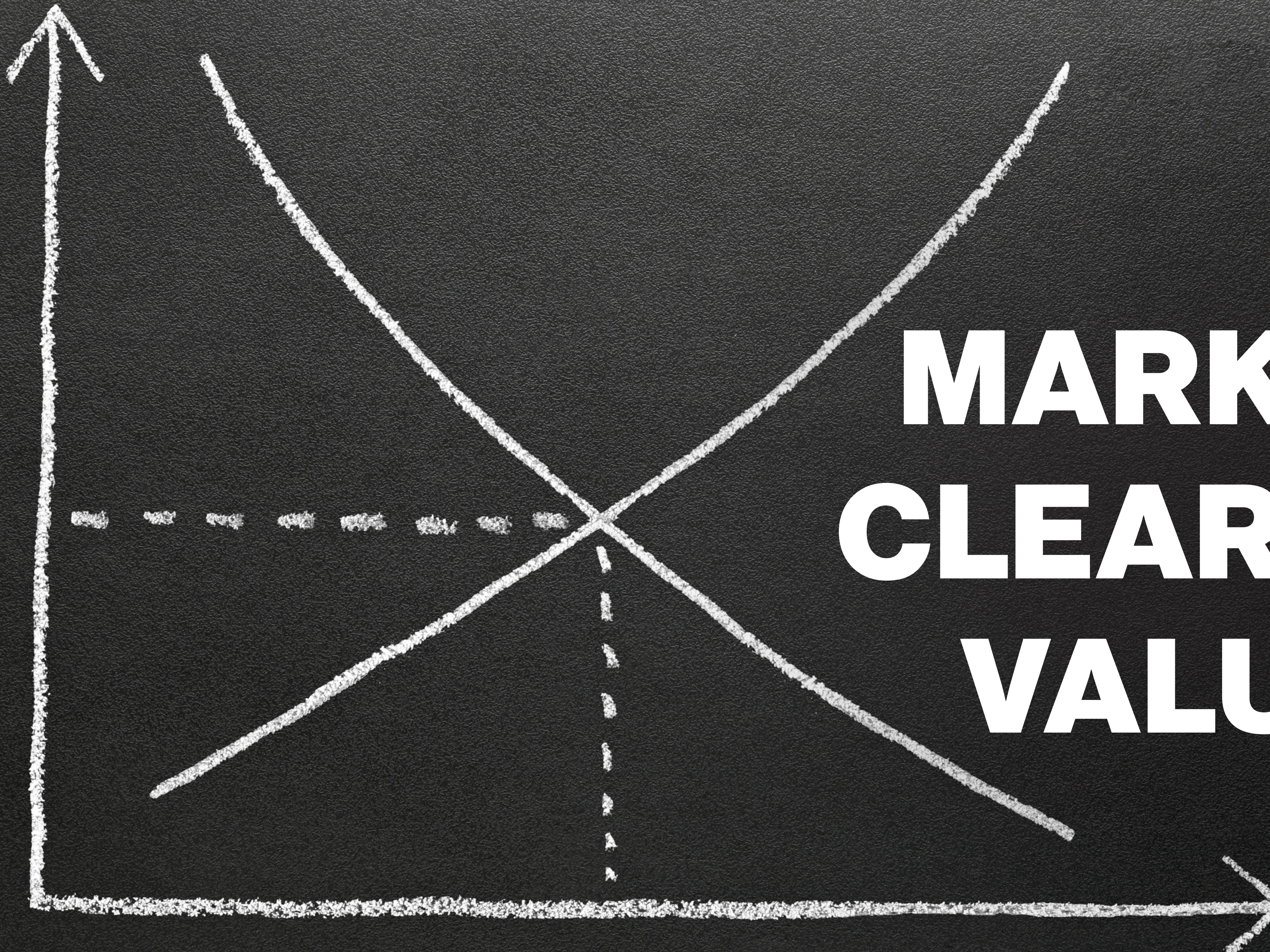
FROM LEFT: CHEDERROS, N.D.; RATCLIFFE, 2014; ON TV: JOHNSON, 2014

# Price Gouging





**MARKET-  
CLEARING  
VALUE**







MARKET PRICES SEND  
*signals*



# The Problem with Price Gouging

Jeremy Snyder (2009) is not convinced by this justification for price gouging. So in response, Snyder presents a counter-argument that attempts to show how Zwolinski (2008) is wrong and why price gouging is immoral.



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# Acknowledgements

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