



## **Capitalism Lab: Classroom Manual**

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## Capitalism Lab: Classroom Manual

This manual is aimed at professors and those who would like to use Capitalism Lab or Capitalism 2 in classroom, as a means to provide a simulated business experience to students.

Capitalism Lab can be a powerful teaching tool to complement your classes, however the correct application in classroom requires planning and a good execution method. Keep in mind that the simulator is not made to be a substitute for other class activities, but as a complement.

### 1. PLANNING

Before using the simulator, a planning is required to take place.

#### *1.1 Class analysis*

It is recommended to perform an analysis of your class to figure if the game can help with its needs. You can find an example of a simple analysis below, however you can use any method you see fit:

Class	New Business Class
Class objective	help students to be able to perform market analysis and strategy planning when opening a new business
Desired class effect on society (long-run effect)	increase the number of entrepreneurs and reduce business mortality
Class strong points	Adopted textbook has a good didactic/concepts are easy to learn/didactic method currently employed is successful/students have affinity toward the class
Class weak points	risk of opening a new business makes practice unfeasible/students do not have experience to make decisions based on data available on market reports

As you may have noticed, the game can help to cover the weak points and achieve the objectives, so it is a good idea to use the simulator in this fictional class. If the result of your analysis points towards the simulator objectives and features, then using the game will be helpful.

### 1.2 Organize the students

How students will be organized to play the game? This guide presents two ways based on past experiments:

Method	How	Pros	Cons
Board of directors	Students form groups. Each group uses a single computer.	Use few computers Easy to evaluate Group work	Students might idle in large groups
Conglomerate	Students form groups. Each student uses a single computer. The mean score of the group is used to evaluate.	Hard to be idle Group work	Use more computers More data to evaluate
Single CEO	Each student uses a single computer.	Hard to be idle	Use more computers More data to evaluate Individual Work

As with any other class activity, certain factors require observation because they will interfere with the execution and results:

- a) Student to computer ratio: obviously, there must be enough computers to every group or student;
- b) Idle problem: students might be idle instead of working due to a range of factors. Board of directors suffers more from this problem, as some students might decide to let their teammates do all the work;
- c) Evaluation: Depending on the method of choice, the professor might need to gather data on 10 or 30 computers. Consider how much time it is available before deciding for a method;

### 1.3 Scoring

The grading system allows you to rate your student's performance. Use it as your ally to reach your objective, and not just as a mean to grade.

The simplest way is to score based on performance and this can be done to make students more competitive. Here is an example of scoring method, used by Ferrier, from British Columbia Institute of Technology:

- Each student starts with 7/10 which can go up and down based on their performance.
- The winner (highest income, profitability and market share) receives 10/10.
- If the student can avoid bankruptcy, they receive 8/10.
- They can potentially raise their grade by submitting a short paper explaining their strategy and why they believe it was not successful.

More customized rules can be added according to the class objectives, such as if your objective is that students are able to run a diversified business, then the number of industries or products dominated might be an eligible scoring factor.

#### *1.4 Extra activity*

It is a good idea to set up an extra activity, not only as a mean for students to reflect on their actions, but also as a tool to receive feedback.

The recommended way is to ask them to make a presentation, so they can show their business planning and how they executed the plan. Encourage them to make feedbacks about their experience, since this will be a valuable source of information to help with future improvements.

#### *1.5 Linking with theories*

The simulator can be used by the professor to show how theories from different fields of study can manifest in a simulated ambient and how it affects companies. The professor can also choose to not give any instructions on these theories if it is desired that students perceive them by themselves. A few examples of theories, definitions and market practices are described below:

Event	In-game effect
Economic Cycles/ IS-LM	Game usually starts at market expansion. Eventually the inflation gets too high and the central bank raises the interests. The economy will sink into a recession, lowering the demand for products. Once inflation is under control, central bank lower interests so the economy can expand again.
Price War	Players may purposely drive a price war to gain market share or drive competitors away.
Corporation takeover	Players who issue many shares may be targeted by a corporation takeover.

## **2. SETTING UP THE GAME**

If you are using Capitalism Lab, a prompt will show up asking for login and password. Keep in mind that a connection to the internet is required to start the simulator, however it isn't required anymore once it started. Capitalism 2 doesn't have this login system.

Once the game started, you will see a few options: single player is to start a new game; load game allows the player to continue a previously saved game; the MOD button enables the player to download modifications for the game that can change the game experience (usage of MODs is entirely optional).

Here are the single player options:

- a) Tutorial: These are a set of tutorials for the game basics.
- b) Scenario: Pre-made scenarios.
- c) Accomplishments: Games that gives a special goal based on product or market dominance. Registers the dominance level.
- d) Challenge game: custom-made scenarios that can be shared. Registers and share data from participants. Recommended for classes.
- e) Custom game: custom-made game.

Out of those options, it is heavily recommended to use the challenge game, because of the ability to register and view data from those participating. It makes it easier to collect data. For more information, check *Challenge Game* on section 2.4.

### *2.1 Tutorials*

Capitalism Lab is a simulator that is easy to learn the basics, but hard to master and operate efficiently due to the complexity and many variables involved. New players might go bankrupt in the learning process.

To help learn how to use the game has a total of eight tutorials, which presents the basic information needed to operate a business in the simulator. Make sure there is enough time to run all these tutorials.

### *2.2 Starting a new game*

Now you are set to start the games. If you decide to not use challenge games for your students, then all you need to do is go to single player and set up the game. You can choose from custom games, challenge games or scenarios.

### *2.3 Starting a custom game*

To start a custom game, go to single player and then click on custom game. A customization screen similar to the picture below will show up:



You can adjust the game difficulty and conditions to fit your needs. Make sure the game efficiently follows the pre-planning you did previously and help you reach your objective. Example: if your class objective is to assist students to be able to maximize investment returns, then one of your goals should be return on equity.

Difficulty level bar ranges from 1 to 8 and presents a set configuration; however you can make your own by clicking on the other tabs next to profile (environment, competitors, imports and goals).

- a) Environment: the world variables, such as economy, number of available cities.
- b) Competitors: you can adjust settings regarding the big companies that will be present in the game.
- c) Imports: goods that comes from other cities and are not originated from any in-game competitors.
- d) Goals: set of objectives that players must achieve to success.

Once you are done, click start, the game will start then.

Note: If you set up your own custom set of rules, pay attention to the difficulty rating of your game by going back to profile tab. Novices should be able to perform relatively well at difficulty rating up to 121% (equivalent to difficulty level 3). Be careful about setting up higher levels of difficulty. A rating above 200% is considered too hard for starters.

Note 2: the pre-made difficult settings of 1 to 8 do not have set objectives. You still have to set them.

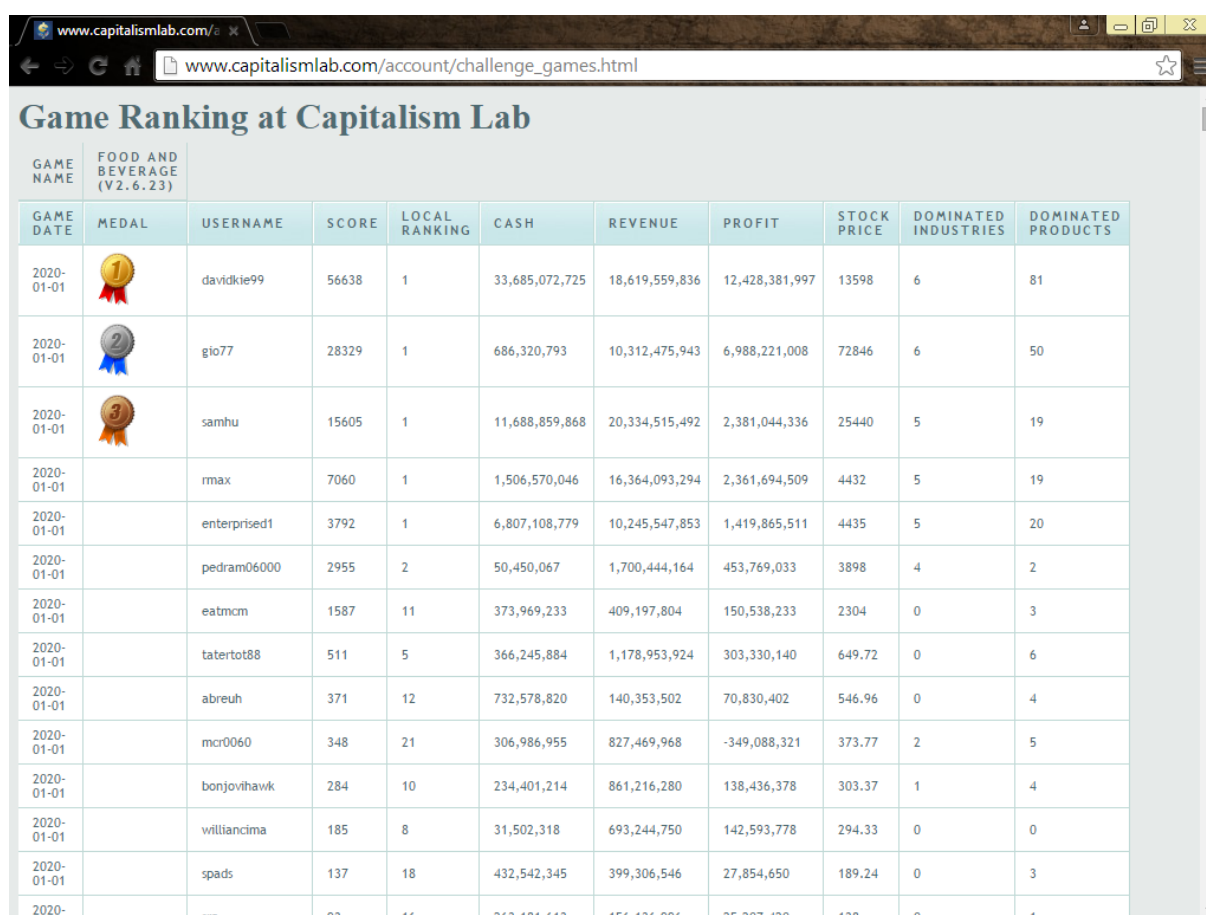
## 2.4 Challenge Games



Challenge games is a new feature introduced in Capitalism Lab. It records the performance data of those participating at every 2 years.

To start a challenge game, create a custom game then go to the goals tab, you will see a button that says *Challenge Game*. Click it and a set of options will show up. At this menu, turn on the challenge game mode and give it a name, a date limit and how students will be ranked. A button with a detailed guide on how to set up a challenge game is also available.

Note: Unfortunately, the only method to share private challenges is by manually copying the file to another computer. This may change in a later update.

Challenge games will register the performance of those participating and rank them according to the ranking criteria set up. The picture below shows an example:



GAME NAME	FOOD AND BEVERAGE (V2. 6. 23)									
GAME DATE	MEDAL	USERNAME	SCORE	LOCAL RANKING	CASH	REVENUE	PROFIT	STOCK PRICE	DOMINATED INDUSTRIES	DOMINATED PRODUCTS
2020-01-01		davidkie99	56638	1	33,685,072,725	18,619,559,836	12,428,381,997	13598	6	81
2020-01-01		gio77	28329	1	686,320,793	10,312,475,943	6,988,221,008	72846	6	50
2020-01-01		samhu	15605	1	11,688,859,868	20,334,515,492	2,381,044,336	25440	5	19
2020-01-01		rmax	7060	1	1,506,570,046	16,364,093,294	2,361,694,509	4432	5	19
2020-01-01		enterprised1	3792	1	6,807,108,779	10,245,547,853	1,419,865,511	4435	5	20
2020-01-01		pedram06000	2955	2	50,450,067	1,700,444,164	453,769,033	3898	4	2
2020-01-01		eatmcm	1587	11	373,969,233	409,197,804	150,538,233	2304	0	3
2020-01-01		taterot88	511	5	366,245,884	1,178,953,924	303,330,140	649.72	0	6
2020-01-01		abreuh	371	12	732,578,820	140,353,502	70,830,402	546.96	0	4
2020-01-01		mcr0060	348	21	306,986,955	827,469,968	-349,088,321	373.77	2	5
2020-01-01		bonjovihawk	284	10	234,401,214	861,216,280	138,436,378	303.37	1	4
2020-01-01		williancima	185	8	31,502,318	693,244,750	142,593,778	294.33	0	0
2020-01-01		spads	137	18	432,542,345	399,306,546	27,854,650	189.24	0	3
2020-		sre	93	16	263,181,613	156,136,996	25,207,420	138	0	1

Keep in mind that a connection to the internet is required to register the data.



Every two in-game years, the game will automatically register the player's data. This prevents players from having unfair advantages due to playing at higher game speeds.

Example: You set a game that should run 30 years, however most students only make up to year 20, with only one student making it to year 30. That single student will have a time advantage compared to the other students; however the game will let you know that single student performance at year 20. It is up to you then to decide how to solve this matter.

### *2.5 Time Limit*

Upon setting up a game, the professor may also set up a date limit. Players can still continue playing even if the time limit is reached, however, if Challenge Games are being used, data will only be computed up to the set time.

From past experiences, 20 to 30 years of gameplay is enough for 3 hours of simulation, considering players will not play at speed 5 all the time and will pause the game sometimes to strategize.