

UNIVERSITY OF TORONTO

Department of Economics

ECO429Y: Fall/Winter, 2011/12

History of Economic Thought

Kieran Furlong, k.furlong@utoronto.ca

Office Hours. GE344: Wednesday, 2:10 – 4:00PM

Textbooks:

Adam Smith, *The Wealth of Nations*

David, Ricardo, *Principles of Political Economy*

Karl, Marx, *Capital (Oxford: Abridged Edition, 2008)*

Marshall, Alfred, *Principles of Economics* (Prometheus Books, New York, 1997)

Keynes, John Maynard. *General Theory of Employment, Interest, and Money*

(Michael Lewis, *The Real Price of Everything*, Sterling, 2008, has the complete Smith and Ricardo plus other authors in hard cover for about \$40, an unheard of price)

Secondary Sources:

Hollander, Samuel. *Classical Economics*. Toronto

Blaug, Mark *Economic Theory in Retrospect*, 2000

Deanne, Phyllis. *The Evolution of Economic Ideas*, 1978

Dobbs, Morris. *Theories of Value and Distribution since Adam Smith*, 1973

Gram, H. and V. Walsh. *Classical and Neoclassical Theories of General Equilibrium*, 1980

Schumpeter, Joseph. *History of Economic Analysis* Cambridge, 1954

<u>Evaluation</u>	1 Page Class Presentation (First Term)	4%	
	Seminar Participation (First Term)	6%	
	1 Page Class Presentation (Second Term)	4%	
	Seminar Participation (Second Term)	6%	
	15 page essay due	March 14	20%
	Midterm Exam (2 hours)	Nov. 30 (9:10 – 12:00AM)	20%
	Final Exam (3 hours)	Final Exam Period	40%

The midterm and final exams are a combination of short-answer and essay type questions with some choice in questions answered. Students who miss the midterm exam due to a documented absence (e.g., doctor's note) must write the make-up exam, which will occur 2 weeks later. Please note that there is no choice on the make-up exam.

The 15 page essay (i.e., 15 double space pages with normal margins and 12 point type, not including bibliography) will analyze primary and secondary sources specified by me on an aspect of the theories of one of the authors discussed in the course. I will only accept late essays during lectures or my office hours and there are no extensions. The penalty for lateness is 5% on March 21, 10% on March 28, and 15% on April 4.. Late essays are not eligible for remarking. All students must hand in two copies of the essay. You must also be prepared to give me a digital copy for submission to Turnitin upon my request.

Presentation marks are given for a 1 page presentation (12 point, double-spaced, normal margins given to me before the presentation) on designated pages from an author during one seminar period for a potential 4 marks and **the right to get one participation mark for a comment or question per seminar** (which take place between 9:10 and 10:00 AM in the

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classroom prior to the lecture) up to a maximum of 6 marks for six seminars. Students will sign up for their presentation day per term in the first class of each term. If you miss your presentation, you must provide documentation of a legitimate reason, submit your original presentation, and do a replacement presentation that I will assign.

Lecture and Reading Schedule

Sept.	14	Introduction and the Greeks: Aristotle <i>Politics</i> , Book I and II; Ethics, Book V
Sept.	21	T. Mun, <i>England's Treasure</i> , Ch. II-XX; W. Petty, <i>A Treatise of Taxes</i> , Ch. III-V
Sept.	28	Physiocrats: Francois Quesnay, <i>Tableau Économique</i> , and A.R.J. Turgot, <i>Reflections</i> .
Oct.	5	Adam Smith: Division of Labour and Value. <i>Wealth of Nations</i> , Book I, Ch. 1-5.
Oct.	12	Smith: Price, Distribution, and Growth. <i>Wealth of Nations</i> , Book I, Ch. 6-9
Oct.	19	Malthus: An Essay on the Principle of Population, Ch. 1 - II
Oct.	26	David Ricardo: Value and Price . <i>Principles</i> , Vol. I, Ch. 1, Sections I - VII
Nov.	2	Ricardo: Rent and Growth. <i>Principles</i> , Ch. 6, 7, 21, 26, 30, 31
Nov	9	Karl Marx: C + V + S. <i>Capital</i> (v.1), Ch. VI-IX
Nov	16	Marx: Absolute and Relative Surplus Value. <i>Capital</i> (v.1), Ch. XII, XVI-XVIII
Nov	23	Marx: Capitalist Accumulation. <i>Capital</i> (v.1), Ch. XXV, Sections 1-4
Nov.	30	Mid-term Exam
Jan.	11	W.S. Jevons: Marginal Utility and Value. <i>Theory of Political Economy</i> , Chs. I-IV
Jan.	18	Carl Menger: Marginal Utility and Value. <i>Principles of Economics</i> , Chs. III-IV
Jan.	25	Leon Walras: General Equilibrium. <i>Elements of Pure Economics</i> , Preface, Lesson 6
Feb.	1	Alfred Marshall: Utility and Demand. <i>Principles</i> , Book III, Chapters 1-4, 6
Feb.	8	Alfred Marshall: Factor Prices and Supply. <i>Principles</i> , Book V, Chapters I - III
Feb.	15	Eugene Bohm-Bawerk (<i>Positive Theory of Interest</i>): Capital and Interest
Feb.	29	Irving Fisher (<i>The Rate of Interest</i>): Capital and Interest
March	7	J.M. Keynes: Classical Critique, <i>General Theory</i> , Chapters 2, 3, 7-10
March	14	J.M. Keynes: The General Theory, <i>General Theory</i> , Chapters 11-14, 18
March	21	M. Friedman: Permanent Y, Phillips Curve, "Nobel Lecture", JPE (June, 1977), 451-72
March	28	Milton Friedman: Monetarism. "The Role of Monetary Policy", <i>AER</i> (1968), 1 - 17
April	4	Review

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Seminar Schedule:

Sept.	21	Aristotle. <i>Politics</i> , Book I and II, <i>Nicomachean Ethics</i> , Book V.
Sept.	28	T. Mun, <i>England's Treasure</i> , Ch. II-X; W. Petty, <i>A Treatise of Taxes</i> , Ch. III-V
Oct.	5	Francois Quesnay, <i>Tableau Économique</i> ; A.R.J. Turgot, <i>Reflections</i> , Points 1-34
Oct.	12	Adam Smith,: Division of Labour: <i>Wealth of Nations</i> , Book I, Introduction, Ch. I-IV
Oct.	19	Adam Smith: Value. <i>Wealth of Nations</i> , Book I, Ch. V-VII
Oct.	26	Malthus: <i>An Essay on the Principle of Population</i> , Preface, Ch. 1 - II
Nov.	2	David Ricardo: Labour Value. <i>Principles</i> , Chapter I, Sections I - VII
Nov	9	David Ricardo: Wages, etc... <i>Principles</i> , Chapter II - V
Nov	16	Karl Marx: Degree of Exploitation. <i>Capital</i> (V.1), Ch. VIII - IX
Nov.	23	Karl Marx: Reserve Army. <i>Capital</i> (V.1), Ch. XXV- XXVII
Jan.	11	Mill: <i>Principles</i> , V.I, Book III, Ch. II-III
Jan.	18	Jevons: Chapter III, 36-61
Jan.	25	Menger: Chapter III, 115-141
Feb.	1	Walras. Preface to the 4 th Edition, 40-46; Lesson 6, 92-105
Feb.	8	Marshall. Demand: Book III, Ch. III. Elasticity: Book III, Ch. IV.
Feb.	15	Marshall. Supply: Book V, Ch. III. Cost: Book V, Ch. IV
Feb.	29	Bohm-Bawerk: II, 17-23; V, 273 – 281
March	7	Fisher: V: 61-63; 99 - 112
March	14	Keynes: Ch. 2, 4 – 22; Ch. 7, 74-85
March	21	Keynes: Ch. 14, 175 – 185; Ch. 18, 245 - 254
March	28	Friedman: 'Nobel Lecture'; "The Role of Monetary Policy"