

**UNIVERSITY OF TORONTO**  
**Department of Economics**  
**ECO429H1 S: Summer, 2014**  
**History of Economic Thought Post 1870**

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Office Hours. MP203: MW 5:20 – 6:00 PM

Textbooks:

Marshall, Alfred, *Principles of Economics* (Prometheus Books, New York, 1997)  
Keynes, John Maynard. *General Theory of Employment, Interest, and Money*

Secondary Sources:

Blaug, Mark *Economic Theory in Retrospect*, 2000  
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		10%
	Seminar Participation		10%
	15 page essay due	July 30	30%
	Final Exam (3 hours)	Final Exam Period (Aug 13-17)	50%

I will provide a package of notes at the beginning of the term at cost (@\$5).

The final exam is a combination of short-answer and essay type questions with some choice in questions answered..

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 and there are no extensions. The penalty for lateness is 5% (or 1.5 of 30%) on June 16 and 10% (or 3 of 30%) . Late ssays 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.

Students earn Presentation marks for a 1 page review (12 point, double-spaced, normal margins given to me before the presentation or there is a 1 mark deduction off the top), presentation (@ 5 minutes, and answering class questions on designated pages from an author during one seminar period for a potential 10 marks and **the right to get one participation mark for a comment or question per seminar** (which take place between 1:10 and 2:00 PM in the classroom prior to the lecture) up to a maximum of 10 marks for 10 seminars. Students will sign up for their presentation day in the first class. 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.

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### Lecture and Reading Schedule

July	2	Introduction and Overview
July	7	W.S. Jevons: Marginal Utility and Value. <i>Theory of Political Economy</i> , Chs. I-IV
July	9	Carl Menger: Marginal Utility and Value. <i>Principles of Economics</i> , Chs. III-IV
July	14	Leon Walras: General Equilibrium. <i>Elements of Pure Economics</i> , Lessons 5-10
July	16	Alfred Marshall: Utility and Demand. <i>Principles</i> , Book III, Chapters 1-4, 6
July	21	Alfred Marshall: Factor Prices and Supply. <i>Principles</i> , Book V, Chapters I - III
July	23	Eugene Bohm-Bawerk ( <i>Positive Theory of Interest</i> ) and Irving Fisher ( <i>The Rate of Interest</i> ): Capital and Interest
July	28	J.M. Keynes: Classical Critique, <i>General Theory</i> , Chapters 2, 3, 7-10
July	30	J.M. Keynes: The General Theory, <i>General Theory</i> , Chapters 11-14, 18
August	6	Milton Friedman: Permanent Income, Phillips Curve, “Nobel Lecture”, JPE (June, 1977)
August	11	Milton Friedman: Monetarism. “The Role of Monetary Policy”, <i>AER</i> (1968), 1 - 17

### Seminar Schedule:

July	7	J.S. Mill: <i>Principles of Political Economy</i> , V.I, Book III, Ch. II and III
July	9	Jevons: <i>Theory of Political Economy</i> , Chapter III, 36-61
July	14	Menger: <i>Principles of Economics</i> , Chapter III, 115-141
July	16	Walras: <i>Elements of Pure Economics</i> , Lesson 10: 143 – 149; Lesson 40: 419-428
July	21	Marshall: <i>Principles</i> , Demand: Book III, Ch. III. Elasticity: Book III, Ch. IV.
July	23	Marshall: <i>Principles</i> , Supply: Book V, Ch. III. Cost: Book V, Ch. IV
July	28	Bohm-Bawerk: <i>Interest</i> II, 17-23: V, 273 – 281 and Fisher: <i>Interest</i> V: 61-63; 99 - 124
July	30	Keynes: <i>General Theory</i> , Ch. 2, 4 – 22; Ch. 7, 74-85
August	6	Keynes: <i>General Theory</i> , Ch. 14, 175 – 185; Ch. 18, 245 - 254
August	11	Friedman: “Nobel Lecture”, JPE (June, 1977), 451-72 Friedman: “The Role of Monetary Policy”, <i>AER</i> (1968), 1 – 17