

**UNIVERSITY OF TORONTO**  
**Department of Economics**

**ECO429Y: Fall 2010/Winter 2011**  
**History of Economic Thought**

Kieran Furlong, [k.furlong@utoronto.ca](mailto:k.furlong@utoronto.ca)  
Office Hours. Wednesday: GE 344: 1:00 – 2:30 PM

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 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 16	20%
	Midterm Exam (2 hours)              December 1 (10-12AM)	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. The penalty for lateness is 1% per day in the first week and 2% per day for each subsequent week. Essays that are a week or more late 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 2 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 10:10 and 11:00 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.

### Seminar Schedule:

Sept.	22	Aristotle. <i>Politics</i> , Book I, Ch. VIII – X, <i>Nichomachean Ethics</i> , Book V.
Sept.	29	T. Mun, <i>England's Treasure by ... Trade</i> , Ch. 2; W. Petty, <i>A Treatise of Taxes</i> , Ch. 3.
Oct.	6	Francois Quesnay, <i>Tableau Économique</i> ; A.R.J. Turgot, <i>Reflections</i>
Oct.	13	Adam Smith,; Division of Labour: <i>Wealth of Nations</i> , Book I, Introduction, Ch. I-IV
Oct.	20	Adam Smith: Value. <i>Wealth of Nations</i> , Book I, Ch. V-VII
Oct.	27	Malthus: <i>An Essay on the Principle of Population</i> , Preface, Ch. 1 - II
Nov.	3	David Ricardo: Labour Value. <i>Principles</i> , Chapter I, Sections I - VII
Nov.	10	David Ricardo: Wages, etc... <i>Principles</i> , Chapter II - V
Nov.	17	Karl Marx: Degree of Exploitation. <i>Capital</i> (V.1), Ch. VIII - IX
Nov.	24	Karl Marx: Reserve Army. <i>Capital</i> (V.1), Ch. XXV- XXVII
Jan.	19	John Stuart Mill: Supply/Demand. <i>Principles ...</i> , V.I, Book III, Ch. II-III
Jan.	26	Jevons: Chapter III, 36-61
Feb.	2	Menger: Chapter III, 115-141
Feb.	9	Walras: Lesson 1, 51-72; Lesson 10; 143 - 149
Feb.	16	Marshall. Demand: Book III, Ch. III. Elasticity: Book III, Ch. IV.
March	2	Marshall. Supply: Book V, Ch. III. Cost: Book V, Ch. IV
March	9	Bohm-Bawerk: II, 17-23; V, 273 – 281 and Fisher: V: 61-63; 99 - 124
March	16	Keynes: 2, 4 – 22; 7, 74-85
March	23	Keynes: 14, 175 – 185; 18, 245 - 254
March	30	Friedman: “The Role of Monetary Policy”, <i>AER</i> (1968), 1 - 17

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### Lecture and Reading Schedule

(H refers to Hollander)

Sept.	15	Introduction and the Greeks: Aristotle <i>Politics</i> , Book I, Ch. VIII - X
Sept.	22	Scholastics (H, 15-18) and Mercantilists (H: 19-38). Thomas Mun, <i>England's Treasure by Foreign Trade</i> , Ch. 2; W. Petty, <i>A Treatise of Taxes</i> , Ch. 3
Sept.	29	Physiocrats: Francois Quesnay, <i>Tableau Économique</i> , and A.R.J. Turgot, <i>Reflections</i> .
Oct.	6	Adam Smith: Division of Labour and Value. <i>Wealth of Nations</i> , Book I, Ch. 1-5.
Oct.	13	Smith: Price, Distribution, and Growth. <i>Wealth of Nations</i> , Book I, Ch. 6-9
Oct.	20	Malthus: An Essay on the Principle of Population, Ch. 1 - II
Oct.	27	David Ricardo: Value and Price . <i>Principles</i> , Vol. I, Ch. 1, Sections I - VII
Nov.	3	Ricardo: Rent and Growth. <i>Principles</i> , Ch. 6, 7, 21, 26, 30, 31
Nov.	10	Karl Marx: C + V + S. <i>Capital</i> (v.1), Ch. VI-IX
Nov.	17	Marx: Absolute and Relative Surplus Value. <i>Capital</i> (v.1), Ch. XII, XVI-XVIII
Nov.	24	Marx: Capitalist Accumulation. <i>Capital</i> (v.1), Ch. XXV, Sections 1-4
Dec.	1	Mid-term Exam
Jan.	12	Pre-cursors of Modern Economic Theory in the Classical Period J.S. Mill: <i>Principles ...</i> , V.I, Book III, Ch. II-III
Jan.	19	W.S. Jevons: Marginal Utility and Value. <i>Theory of Political Economy</i> , Chs. I-IV
Jan.	26	Carl Menger: Marginal Utility and Value. <i>Principles of Economics</i> , Chs. III-IV
Feb.	2	Leon Walras: General Equilibrium. <i>Elements of Pure Economics</i> , Lessons 5-10
Feb.	9	Alfred Marshall: Utility and Demand. <i>Principles</i> , Book III, Chapters 1-4, 6
Feb.	16	Alfred Marshall: Factor Prices and Supply. <i>Principles</i> , Book V, Chapters I - III
March	2	Eugene Bohm-Bawerk ( <i>Positive Theory of Interest</i> ) and Irving Fisher ( <i>The Rate of Interest</i> ): Capital and Interest
March	9	J.M. Keynes: Classical Critique, <i>General Theory</i> , Chapters 2, 3, 7-10
March	16	J.M. Keynes: The General Theory, <i>General Theory</i> , Chapters 11-14, 18
March	23	Milton Friedman: Permanent Income, Phillips Curve, "Nobel Lecture",
March	30	Milton Friedman: Monetarism. "The Role of Monetary Policy", <i>AER</i> (1968), 1 - 17
April	6	Review