

ECONOMICS 407: A01

TOPICS IN THE HISTORY OF ECONOMIC THOUGHT

Spring 2011, CRN 24849

MALCOLM RUTHERFORD

Office: BEC 340

Office Hours: 12:30-1:30 Tuesdays and Wednesdays

Or by arrangement

Phone: x6481

e-mail: rutherford@uvic.ca

Seminar Participation: This course is a seminar course dealing with selected topics in the History of Economic Thought. Students are required to read a substantial amount of material and to be prepared to engage in discussion in class. For each topic area I will present the topic in outline and do some of the talking in the first session, subsequent sessions on a topic area will be discussion sessions. Students are expected to attend discussion sessions with a set of reading notes made up from the assigned readings for each session. Reading notes must be handed in and will form part of the grade. Students will also write two short essays.

Texts: Three books have been ordered for this class. These are:

Adam Smith, *The Wealth of Nations*, 1776

Alfred Marshall, *Principles of Economics*, 1890

Thorstein Veblen, *The Theory of Business Enterprise*, 1904

These books have been chosen as each is “foundational” for a particular school of economics: Classical, Neoclassical, and American Institutional economics respectively. Large sections of these three books will be read and discussed in detail. All of these books are available on line:

Smith: <http://www.econlib.org/library/Smith/smWN.html>

Marshall: <http://www.econlib.org/library/Marshall/marP.html>

Veblen : http://www.brocku.ca/MeadProject/Veblen/Veblen_1904/Veblen_1904_toc.html

Course Web Page:

There is a course web page at: <http://web.uvic.ca/~rutherford/econ407.html>

This page contains the course outline, links to the books and to other web sites that provide the historical background information for Smith, Marshall and Veblen.

Course Outline:

The term contains 13 weeks including reading break week. I will be away Jan 7 and 21. The first session (Week 1) will be devoted to dealing with the course outline, proposed conduct of the seminars, and grading. The subsequent week by week outline is as follows:

Topic 1. The Smithian Economic System

Week 2: session 1: Introduction by Instructor
Smith and the Political Economy of his time

Week 2: sessions 2 and 3: Discussion of The Division of Labour
Adam Smith, *The Wealth of Nations*, Book 1, Chs 1-4.

Week 3: Discussion of Prices, Distribution, and Political Economy
Adam Smith, *The Wealth of Nations*, Book 1, Chs 5-11 (omit Ch 10 part II, and Ch 11, part III and the digression on silver, but DO include the Conclusions of the Chapter)

Week 4: Discussion of the Accumulation of Capital and the Natural Progress of Opulence
Adam Smith, *The Wealth of Nations*, Book 2, Chs 1, 3 and 5; Book 3, Ch 1;

Week 5: Discussion of Systems of Political Economy and The Role of the State
Adam Smith, *The Wealth of Nations*, Book 4, Chs 2 and 9; Book 5, Ch 1

Topic 2. Marshallian Economics: Demand, Firms, and Markets

Week 6 session 1:
Introduction by Instructor
Marshall and the beginnings of neoclassical economics

Week 6 sessions 2 and 3: Discussion of Marshallian Demand Theory
Marshall, *Principles of Economics*, Book III, Chs 1-6

Week 7: Discussion of Marshall on Industrial Organization
Marshall, *Principles of Economics*, Book IV, Chs 8-13

Week 8: **Reading Break—First Essay Due Feb 28th**

Week 9: Discussion of Marshall and Market Equilibrium
Marshall, *Principles of Economics*, Book V, Chs 1-5.

Week 10: Discussion of Long Run Supply, Externalities, Monopoly
Marshall, *Principles of Economics*, Book Chs 12-15

Topic 3: Veblen and Institutional Economics

Week 11 session 1: Introduction by the Instructor
Veblen and the rejection of neoclassical economics

Week 11 sessions 2 and 3 : Discussion of the Veblenian View Industry and Business
Veblen, *The Theory of Business Enterprise*, Chs 1-4

Week 12: Discussion of Veblen on Corporation Finance and Business Capital
Veblen, *The Theory of Business Enterprise*, Chs 5-6

Week 13 sessions 1 and 2: Discussion of Veblen on Crises and Depressions
Veblen, *The Theory of Business Enterprise*, Chs 7-8

Week 13, session 3: Concluding Remarks and Discussion of the Course

Grading

The course grade will be based seminar preparation, participation, and two short essays. The reading notes and participation of each student in discussion sessions will be marked out of 100 points. Students who miss discussion sessions due to documented illness will not be penalized. Each essay will be marked with out of 100 points. The first essay topics will be written by all students and will consist of a book review of *The Wealth of Nations* of about 2000 words. The second essay can deal with any topic dealt with in the course (and could also be a review) and will be of similar length. The first essay is due immediately after reading break, and the second essay by the beginning of exam period.

The total score out of 300 points will be converted to a percentage mark and this will be converted to a letter grade using the following equivalences.

90-100	A+	75-79	B+	60-64	C+	0-49	F
85-89	A	70-74	B	55-59	C		
80-84	A-	65-69	B-	50-54	D		

The standards and reputation of a University are the shared responsibility of its faculty and student body. Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. Plagiarism and cheating are considered to be a most serious breach of academic integrity and shall be dealt with as such by the Department of Economics. Refer to the Policy on Academic Integrity in the University Calendar.

The University of Victoria is committed to providing an environment that affirms and promotes the dignity of human beings of diverse backgrounds and needs.