Course Outline

EE404 History of Economic Thought

Semester: 1/2013 (13 August – 30 November 2013)
Instructor: Dr. Pichit Likitkijsomboon
Room 461 Faculty of Economics
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Time: Wednesday, Friday 9:30 – 11:00 hrs.
Venue: Room 202, Economics Faculty Building

I. Course Description

Studies of history of economic thought from the rise of mercantilism, physiocracy and classical political economy of Smith, Malthus, Ricardo, Bentham and Mill; the break to Karl Marx's political economy; the marginalist revolution of Jevon, Menger, and Walras; the neoclassical synthesis by Marshall; welfare economics and mathematical economics; economics of imperfect competition; Keynesian revolution; the rise of monetarism and new classical economics.

II. Evaluation

One short essay	30	points
Final examination	70	points
Final exam date:	Thursday 19 December 2013, 09:00 - 12:00 hrs	

III. Textbooks

Brue, Stanley and Grant, Randy. 2013. *The History of Economic Thought*. 8th ed., Cengage Learning.

Ekelund, Robert B. and Hebert, Robert F. 2007. *A History of Economic Theory and Method*. 5th ed., Waveland Press.

Skousen, Mark. 2009. *The Making of Modern Economics: The Lives and Ideas of the Great Thinkers.* 2nd ed., Armonk, New York: M.E. Sharpe.

Buchholz, Todd G. 2007. *New Ideas from Dead Economists: An Introduction to Modern Economic Thought*. New York: Plume.

IV. Lecture Outlines

1. Introduction
    - 1.1. Why study the history of economic thought?
    - 1.2. Five schools of economic thought
      Read: Grant and Brue, Ch.1.

2. Pre-classical economic ideas
    - 2.1. Mercantilism
    - 2.2. The Physiocrats
      Read: Grant and Brue, Ch.2, Ch.3, Ch.4.

3. Classical political economy I: Adam Smith

3.1. Self interest, division of labour and the market
3.2. Theory of value and price
3.3. Wages, profit and rent
3.4. Capital accumulation and economic growth
Read: Grant and Brue, Ch.5.

4. Classical political economy II: Jeremy Bentham and Thomas Robert Malthus
   4.1. Jean-Babtiste Say's law of markets
   4.2. Bentham's utilitarianism.
   4.3. Malthus's theory of population
   Read: Grant and Brue, Ch.6, Ch.8.

5. Classical political economy III: David Ricardo
   5.1. Ricardian labor theory of value
   5.2. Theory of land rent
   5.3. Growth and income distribution
   Read: Grant and Brue, Ch.7.

6. Classical political economy IV: John Stuart Mill
   6.1. Mill's synthesis of classical theories
   6.2. Dichotomy between production and distribution
   6.3. Government functions and modified laissez-faire
   6.4. The decline of classical political economy
   Read: Grant and Brue, Ch.8.

7. Karl Marx
   7.1. Utopian socialism before Marx
   7.2. Historical materialism
   7.3. The labor theory of value and exploitation
   7.4. The tendency of the falling average profit rate
   Read: Grant and Brue, Ch.9, Ch.10.

8. The Marginalist Forerunners
   8.1. The marginalist principles
   8.2. Antoine-Augustin Cournot
   8.3. Jules Dupuit
   8.4. Johann Heinrich von Thünen
   8.5. Hermann Heirich Gossen
   Read: Grant and Brue, Ch.12.

9. The Marginalist Revolution
   9.1. William Stanley Jevons
   9.2. Carl Menger
   9.3. Léon Walras
   Read: Grant and Brue, Ch.13.

10. Alfred Marshall and the Neoclassical Synthesis
    10.1. Method
    10.2. Demand and utility
    10.3. Supply and production costs

Read: Grant and Brue, Ch.15.

11. Austrian Economics
    11.1. Friedrich von Wieser
    11.2. Eugen Bömbawerk
    11.3. Joseph Schumpeter
    Read: Grant and Brue, Ch.13.

12. Welfare Economics
    12.1. Y. Edgeworth
    12.2. Vilfredo Pareto
    Read: Grant and Brue, Ch.14, Ch.20.

13. Imperfect competition
    13.1. Edward H. Chamberlin's monopolistic competition
    13.2. Joan Robinson on monopoly
    Read: Grant and Brue, Ch.17.

14. Keynesian economics
    14.1. John Maynard Keynes's *General Theory*
    14.2. Keynesian revolution and its aftermath
    Read: Grant and Brue, Ch.21.

15. Modern macroeconomics
    15.1. Stagflation and the crisis of Keynesian economics
    15.2. Monetarism
    15.3. Rational expectations revolution and new classical economics
    Read: Grant and Brue, Ch.22, Ch.24.

16. Neo-Austrian economics
    16.1. Ludwig von Mises
    16.2. Friedrich A. Hayek