

COURSE OUTLINE

1. Course Number and Name: Econ4405, History of Economic Thought: Aristotle to Keynes

Credits: 3

2. Course Description: This course is designed to provide an introduction to the contributions of major economic thinkers of the West from the late scholastics to the present. Students will examine the origins of ideas that continue to support the framework of economic theory. In addition, the course will highlight reasons for controversies which have arisen among economists as the discipline evolves. As such, it is necessary to look at the historical context in which various economic theories have been applied. The course will equip students with a perspective that allows them to compare their own theories with those widely accepted in the economics profession, and to anticipate the direction of further intellectual progress.

3. Course Goals: When free markets first emerged as the dominant means of resource allocation, political philosophers tried to describe the remarkable efficiency of the mechanism they were observing. As they succeeded in identifying the key components of a market allocation system, the discipline of economics was born. This course honors the tradition of scholarship by showcasing the advances in economic theory that have paralleled the improvement in our living standards as market economies have transformed the world. It traces the development of thought from early Classical Theory through the marginal revolution to the emergence of macroeconomics.

4. Course Learning Outcomes: Students will consider various ideas as their originators first presented them; and they will also follow the impact of those ideas as they were applied and developed by others. As part of this endeavor, students will explore the historical circumstances under which innovative theories arose. The relationship between the philosopher and his subject of inquiry is a dominant theme of the course. Upon completion of the course, the student will be able to:

1. Explain the need for understanding the origins of economics as a science
2. Summarize Adam Smith's contribution to the theory of markets
3. Outline the argument made by Thomas Malthus about population growth
4. Describe David Ricardo's further development of the science of economics
5. Compare the views of Smith and Ricardo
6. Synthesize the ideas of John Stuart Mill with those of the Ricardian system

7. Connect the economics of Karl Marx to their Classical school origins
8. Distinguish between Carl Menger's theory and the Classical school
9. Elaborate on the ways that Alfred Marshall incorporated marginalism in his approach to models of decision-making
10. Describe how Ludwig von Mises sees economics as part of a larger overarching science
11. Describe Keynes' vision and the reasons for his rejection of Say's Law

5. Course Concepts

1. The origins of Classical theory
2. The evolution of economics as a science
3. Refinements of Classical theory
4. Menger's marginal utility theory
5. The Keynesian paradigm

6. Required Texts:

Keynes, John Maynard. *The General Theory of Employment, Interest and Money*. Amherst, NY, Prometheus Books. ISBN 1-57392-139-4.

Malthus, Thomas. *An Essay on the Principle of Population*. Amherst, NY, Prometheus Books. ISBN 1-57392-255-2. Available free online at: <http://cepa.newschool.edu/het/profiles/malthus.htm>

Marshall, Alfred. *Principles of Economics*. Amherst, NY, Prometheus Books. ISBN 1-57392-140-8.

Menger, Carl. *Principles of Economics*. Grove City, PA, Libertarian Press, ISBN 0-910884-27-7.

Mill, John Stuart. *Principles of Political Economy*. Amherst, NY, Prometheus Books. ISBN 1-59102-151-0.

Ricardo, David. *Principles of Political Economy and Taxation*. Amherst, NY, Prometheus Books. ISBN 1-57392-109-2.

Smith, Adam. *An Inquiry into the Nature and Causes of the Wealth of Nations*. (2 vols.) Indianapolis: Liberty Fund, ISBN 0-86597-008-4.

Vaughn, Karen. "Why Teach the History of Economics," *Journal of the History of Economic Thought* (1993), pp. 174-183.

von Hayek, Friedrich. *Individualism and Economic Order*. University of Chicago Press. ISBN 0-226-32093-6.

von Mises, Ludwig. *Human Action: A Treatise on Economics*. 3rd rev. ed. San Francisco, CA: Fox and Wilkes ISBN 0-930073-14-2. Available free online at: <http://www.mises.org/humanaction.asp>

7. Recommended Reading

8. Additional Resources

Course Syllabus

Course Number: Econ4405

Course Title: History of Economic Thought: Aristotle to Keynes

Faculty: William Luckey, Ph.D. and Debbie Evercloud, Ph.D.

Class Participation and Performance Requirements:

Students are ultimately responsible for participating in the course through the following academic activities: uploading assignments, posting to discussion topics, responding to instructor inquiries, submitting written papers and taking quizzes and exams. Students are expected to be involved in ongoing instructional activities based on the recommended schedule for course completion as detailed in the syllabus. In order to actively participate in a course, students must make contact with their faculty mentor on a regular basis through one of the following methods:

- Uploading weekly written discussion topic responses into the Discussion section of the course delivery system for grading by your Instructor.
- Participation in discussion threads with the instructor and other students.
- Posting of other assignments as identified by the course instructor.

Assessments:

A 20-page research paper is required. The research will draw mainly from primary sources, with secondary sources for elucidation and understanding. The student will select one of the following topics:

- The economic thought of Karl Marx;
- The economic thought of Milton Friedman;
- The economic thought of Gary Becker;
- James Buchanan and the Theory of Public Choice.

Contributions to the online discussion are required after each session. Responses should be approximately 500—750 words, per session response.

The mid-term exam consists of four short essay questions.

The final exam poses ten essay questions. The student must respond to six of these questions with well-developed essays synthesizing key course concepts.

Assessment percentages:

- Discussion topics 50%
- Mid-term exam 10%

Research paper	20%
Final exam	20%

Yorktown University official grade and writing rubrics are located at
http://www.yorktownuniversity.com/grad_rubrics.cfm

Academic Integrity

Available both in the student and faculty handbooks

Recommended Schedule for Course Completion

Session 1 The Science of Economic Inquiry

Lecture:

Audio:

- Unit 1 The Perspective of Economic Science (8 minutes)
- Unit 2 Aristotle (10 minutes)
- Unit 3 Capitalism (30 minutes)

Assignment:

Required reading:

Vaughn, "Why Teach the History of Economics"

Discussion Questions

1. In what way does the method of economic inquiry determine the subjects considered appropriate content matter for the discipline?
2. How do the innovations of entrepreneurs contribute to the efficiency of capitalist economies?

Learning Outcomes: 4.1

Session 2: Adam Smith

Lecture:

Audio:

- Unit 4 Physiocrats (21 minutes)
- Unit 5 Adam Smith (14 minutes)
- Unit 6 Adam Smith (25 minutes)

Assignment:

Required reading:

Smith, *The Wealth of Nations* Pages 10-193, 276-349, 642-662

Discussion Questions

1. How did the physiocrats view the relative importance of manufacturing as compared to agriculture?
2. In what respects does *The Wealth of Nations* reflect the changes Europe was experiencing during the Industrial Revolution?

3. As the title indicates, Smith wrote his classic work to investigate “the nature and causes of the wealth of nations”. Is the profession of economics still trying to answer this question?

Learning Outcomes: 4.2

Session 3: The Malthusian System

Lecture:

Audio:

Unit 8 Malthus (11 minutes)

Assignment:

Required reading:

Malthus, *An Essay on the Principle of Population*_(entire work)

Discussion Questions

1. How would Malthus respond to modern-day claims that an unequal distribution of wealth in the U.S. creates social discord?
2. How do modern concerns about environmental quality (sometimes referred to as sustainable economics) share something in common with Malthusian theory?

Learning Outcomes: 4.3

Session 4: David Ricardo

Lecture:

Audio:

Unit 7 Ricardo (10 minutes)

Assignment:

Required reading:

Ricardo, *Principles of Political Economy and Taxation*
Chapters I, II, IV, V, VI, VII, XXVII, XXVIII, XXX

Discussion Questions

1. David Ricardo was a proponent of "hard money." What is the real cause of "soft money"? How do politics enter into the determination of the money supply?
2. What examples of rent-seeking behavior can you identify in 21st-century economies?

Learning Outcomes: 4.4, 4.5

Mid-term Examination

Session 5: John Stuart Mill

Lecture:

Audio:

Unit 9 Mill and Mathematical Economics (15 minutes)

Assignment:

Required reading”

Mill, *Principles of Political Economy*, Book I, Chaps I – V,
Book III, Chaps I, II, VII

Discussion Questions

1. Which aspects of Mill’s theory support a libertarian view? Which support the socialist view?
2. Which components of Mill’s economics allow him to arrive at a more optimistic perspective than the perspective of Malthus?

Learning Outcomes: 4.6

Session 6: Marxian Economics

Lecture:

Audio:

Unit 10 Marx (20 minutes)

Assignment:

None

Discussion Questions

1. In what respects can Marx be considered a Classical economist?
2. What is the best argument in favor of the labor theory of value?

Learning Outcomes: 4.7

Session 7: Carl Menger and the Marginal Revolution

Assignment:

Required reading:

Menger, *Principles of Economics* (entire book)

Discussion Questions

1. How does Menger’s marginal approach alter the notion of “intrinsic value” as considered by the Classical economists?
2. Do the contributions of Menger help the Classical school stand up to the criticisms of Marx?

Learning Outcomes: 4.8

Session 8: The Austrian School

Assignment:

Required reading:

Mises, *Human Action*, Introduction, Chapters 1, 2, 5, 15

Hayek, *Individualism and Economic Order* (entire book)

Discussion Questions

1. Which aspects of Mises’ theory regarding human action are consistent with the diffusion of economic power accompanying the internet revolution?

2. Mises asserts that the theorems of economics cannot be verified or falsified through examination; they are the conclusions of logical reason. Does this seem to make economics superior to other disciplines? Or does it make economics less scientific?

Learning Outcomes: 4.10

Session 9: Alfred Marshall

Lecture:

Audio:

Unit 11 Marshall (7 minutes)

Assignment:

Required reading:

Marshall, Principles of Economics, Books I—III, Book V: Chaps I—III, XIV, XV

Discussion Questions

1. How did Marshall integrate the concepts of producer cost and consumer utility in determining price?
2. How does the concept of economic growth fit in Marshall's framework?

Learning Outcomes: 4.9

Session 10: Keynes and Macroeconomics

Lecture:

Audio:

Unit 12 Keynes (12 minutes)

Assignment:

Required reading:

Keynes, *The General Theory*. Books I – V

Discussion Questions

1. Keynes developed his theory in response to the challenge of the Great Depression. What political factors account for the fact that his theory remains a popular policy approach long after the threat of a depression has passed?
2. Does Keynes represent a radical departure from the thought of his predecessors, or just a further refinement?
3. In Chapter 12 of *The General Theory*, Keynes outlines his theory regarding investor psychology. To what extent does this theory still apply to equity markets in the 21st century?

Learning Outcomes: 4.11

Research Paper Due

Final Examination