

**UNIVERSITY OF CAPE COAST**  
**DEPARTMENT OF ECONOMICS**  
**COURSE OUTLINE – SECOND SEMESTER (2013/2014 ACADEMIC YEAR)**

**ECO 402: HISTORY OF ECONOMIC THOUGHT**

**Lecturer: Dr. Ekow Asmah & Mr. Benedict Afful Jr.**

**Credit hours: 3**

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**A. Course Description**

This course is designed to introduce students to the history of economic ideas from ancient times through the twentieth century. It will place emphasis on (a) pre-classical economic thought, (b) classical political economy, (c) critiques of classical political economy, (d) marginalist revolution, (e) institutional economics, (f) Keynesian revolution, (g) Austrian school, and (h) contemporary critical approaches. Major groups and thinkers covered include Aristotle, the Scholastics, the Mercantilists, the Physiocrats, Adam Smith, Thomas Robert Malthus, David Ricardo, Karl Marx, the early Marginalists, Alfred Marshall, Thorstein Veblen, John Maynard Keynes, Friedrich A. Hayek, and Joseph A. Schumpeter. Reading for the course will be drawn from both primary and secondary sources, and it would be in the best interest of the student to come to class having read the assigned materials for that day.

**B. Course Content**

**1. OVERVIEW**

- a. Why do we study the history of economic thought?
- b. Is economics a science?
- c. The five major questions about the various schools of thought
- d. The interrelationships of economic ideas

**2. THE TECHNIQUES OF ECONOMIC ANALYSIS**

- a. Economic history
- b. Statistics
- c. 'Theory'

**3. ANCIENT AND MEDIEVAL ECONOMICS**

- a. The administrative tradition
- b. The moral tradition
- c. The analysis of economic interactions
- d. Roman law and market theory
- e. Money and the economy

**4. PRE-CLASSICAL ECONOMICS**

**a. Mercantilism**

- i. Bullionism – William Petty (1570 – 1620)
- ii. Balance of trade Doctrine – (1620 – 1730)
- iii. Paper Money Mercantilism – (1730 – 1770)
- iv. Other members of the doctrine
- v. General Philosophy of Mercantilism

**b. Physiocracy**

- i. Francois Quesney and the Tableau Economique
- ii. Members of the doctrine
- iii. General Philosophy of Mercantilism

**5. CLASSICAL ECONOMICS**

**a. Members of the school and their contribution**

- i. The economics of Adams Smith, J.B Say, James Mill, R. Malthus, David Ricardo, J.S. Mill, Jeremy Bentham, Karl Marx

**b. Important concepts/ theories/policies**

- i. The invisible hand, (ii) Malthusian population theory (iii) rent theory (iv) Say's law identity (v) Corn Laws (vi) Law of markets (vii) Value theory (viii) Rent theory (ix) Profit theory (x) Maxian ratio (xi) classical growth theory

**c. General Philosophy of classical economists**

**6. THE MARGINALIST SCHOOL**

**a. Members of the school and their contributions**

- i. The economics of Stanley Jevons, Carl Menger, Leon Walras, Friedrich and consumer surplus

**b. General doctrines**

**7. MARSHALL AND THE CAMBRIDGE SCHOOL**

- i. Marginal utility (ii) theory of distribution (iii) supply and markets (iv) producer and consumer surplus

**8. THE KEYNESIAN REVOLUTION**

**a. The Great Depression and the Emergence of Keynesian Economics**

**b. Keynesian Economics**

**9. CURRENT CONTROVERSIES**

- a. Monetarism – Milton Friedman  
b. The new Classical Macroeconomics (Rational Expectations – Lucas, Sargent, Barro)  
c. Supply side Economics – Martin Feldstein, Arthur Laffer

**10. PROGRESS IN ECONOMICS THEORY**

**a. Popperian Incrementalism or Kuhnian Revolutions?**

**C. Course Delivery Method & Assessment**

The course applies a combination of lectures, class discussions and presentations. Student participation is a key component of the course. Final grades will be determined by taking into consideration the grade obtained from continuous assessment [1 quiz (20%) – more details on these assessment methods will be discussed in class], presentation (20%) and final examination which carry 60%.

**D. Expected Outcome**

- Identify the major ideas associated with each group or thinkers studied, and thereby comprehend the origins of contemporary theory.
- Place those ideas in the context of the times in which they developed.
- Come to appreciate that most modern ideas have long histories, that there is “little new under the sun.”
- Recognize that many theories are short-lived and that they often reflect the concerns of a particular time period, and thereby come to a critical understanding of contemporary theory.
- Explore theories that radically differ from modern mainstream theory.

**E. Course Website**

<http://wikieducator.org/Benafful/ECO402>

**F. Reading list**

1. Adam Smith – An inquiry in the Wealth of Nations
2. Eli Heckscher – Mercantilism (2 Volumes)
3. Meek, R. – The Economics of Physiocracy
4. Blaug M. – Economic History in Retrospect
5. Schumpeter – History of Economic Analysis
6. Eric Roll – History of Economic Thought
7. Stigler – the Division of labour is limited by the extent of Market
8. Howey R.S. – The Rise of the Marginal Utility School 1870 – 89
9. Kuhn T. – The Structure of Scientific Revolutions
10. Popper k. R. – Conjectures and Refutations: The Growth of Scientific Knowledge