

Monday, July 24, 2023

Syllabus for History of Economic Thought (Economics 327)

It is a good idea to save the syllabus and other course materials on your computer and a thumb drive in case your internet connection or the Rutgers Computer System is down when you need the materials; for example to study for an exam.

However, I may update the syllabus and other materials from time to time. Always go to Canvas, if you are able, and check the number of the syllabus (version 1, 2, etc.) to make sure you are reading the current version.

Professor Hugh Rockoff
Spring 2023

327:01 (Index #04881)
Frelinghuysen B6
Tuesday-Thursday 2:00-3:20
Final Exam: Friday, May 5, 8am-11am, regular classroom (probably)

Office: NJ Hall 209C
E-mail: Rockoff@economics.rutgers.edu
Canvas: <https://canvas.rutgers.edu/>

Office Hours: Zoom by appointment. Department policy is to do most office hours by zoom to minimize crowding in the economics department. If it is absolutely, positively, necessary to have an in-person-in-office meeting, we can arrange one.

Is This a Hard Course or an Easy Course?

Whether you find this course hard or easy will depend on your strengths and weaknesses. This course draws more on your verbal skills and less on your math skills than many of the other economics courses. So, if you are the kind of student who liked Shakespeare but hated calculus, you may find this course easier

compared with the other economics courses you have taken. If you hated Shakespeare and did well in calculus this course may prove harder for you.

There is also a lot to remember: easy for some students, hard for others. For example, you will have to remember whether it was Adam Smith or Karl Marx who wanted to get rid of capitalism. Normally, I will not ask you to remember particular dates – if I do want you to remember a date I will tell you that several times – but you will have to **remember** a lot about the history of economic thought to do well on the exams.

Prerequisites: 220:102 and 103, or 200. Note: Econometrics is not required for this course. Therefore, it is a lower level course. It can count toward your major, but only as a lower level course. All economics majors must take 7 elective economics courses and a minimum of 4 of those must be upper level electives.

Readings: There is no textbook. However, there are assigned readings that you can download from Canvas.

Recommended: Several of the readings are from Robert Heilbroner, *The Worldly Philosophers: The Lives, Times and Ideas of The Great Economic Thinkers*. This wonderful book has inspired many famous economists to study economics. The bare minimum that you must read to get through the course will be on the Canvas site. However, you will learn a lot more by reading the whole book. It is not expensive.

Reading Questions. There are also reading questions. These are specific points to look for (and hopefully keep you engaged) while you are reading. Some of the reading questions will turn up on the exams.

If you email me, will I tell you whether XXX is the right answer to a reading question? No, I will not.

I will answer questions about the lectures, or questions about the readings unrelated to the reading questions, but when it comes to the reading questions, you need to find the answers yourself.

Attendance. I will keep track of class attendance – a signup sheet will be passed around – and attendance will count as 8% of your grade.

I also ask that that you be polite. Do not make a habit of coming late. When you miss a class, you alone bear the cost. When you are late, you impose a cost on the

whole class. If you must come late, remember that you are a bad person. Tiptoe into class and sit in the back.

If you come to class, stay until the end. Getting up and leaving in the middle of a class is disruptive and insulting. If you must leave early, sit in the back and quietly tiptoe out of the class. Do not sit in the middle of the class, jump up, knock over three chairs, and run out slamming the door behind you.

Grading. There are two exams during the term and a final exam. Each of the in-term exams will count 28%, the final will count 36%; attendance will count 8%. True, 8% does not sound like a lot, but if you are close to a higher grade, it can make a difference. The final exam is cumulative, although it focusses on the last section of the course.

The grading scale is standard: 90%-100% = A, 85%-89% = B+, 80%-84% = B, 75-79% = C+, 70-74% = C, 60%-69% = D, below 60% = F.

For everyone in the class, I will also try dropping the lower of the two in-term exams, and counting the remaining in-term as 38%, the final as 54%, and attendance as 8%. If that calculation produces a higher average, that will be your average for the semester.

The grades will be curved (I will add a few fudge points) if the standard curve proves to be too tough.

What Happens If You Miss or Screw Up One of the Two In-Term Exams?

For every student, I will also compute an average by shifting the weight from the lower in-term to the higher in-term and the final. If that average is higher, that will be the average on which I base your grade. In that case, the weighting will be as follows.

Attendance 9%
Higher In-term 38%
Lower In-term 0%
Final 53%

Does that mean that you could simply skip one of the two in-term exams if you were not well prepared and still do well in the course? Yes. However, it is not in

your interest to do that since a good score might improve your average in the course.

What happens if you miss the second in-term after you missed the first in-term?

In that case, you must make up the second exam. Only students who miss the second in-term for medical reasons or similar misfortunes (struck by lightning, run over by a train, etc.) after missing the first in-term exam will be allowed to take a makeup without penalty. Students without a valid excuse will be subject to a 9-percentage-point penalty (92 percent on the exam, an A, becomes 83 percent, a B).


Learning Outcomes. This course will increase your understanding of economics in two ways. First, it will help you master some of the key ideas in economics. Some students find economic ideas strange and hard to master when presented in their modern, complicated, and sometimes highly mathematical, forms. Seeing how those ideas developed over time often allows students to grasp ideas that had previously eluded them. In addition, this course will help you put economic ideas that they learn in other courses into broader philosophical and historical contexts.

Where is Everything? Everything you need for this course – the syllabus, the readings, reading questions, practice exams, etc. –will be on the Canvas site. Remember, however, that computers have a way of crashing at unfortunate times. Make copies of what you will need on several computers. Don't wait until the night before the final exam to download what you need. The Rutgers system may crash. It has done so in the past.

Schedule of Lectures and Readings		
Class Meeting, Date	Topic of Lecture	Readings. These are available on the Canvas site.

1. Tuesday, January 17	Introduction and the Schools of Economic Thought	No Reading
2. Thursday, January 19	Adam Smith (Economic Man)	“Smith – the Authority of Conscience” A reading from the <i>Theory of Moral Sentiments</i> . Recommended: Heilbroner, Chapter 3, The Wonderful World of Adam Smith
3. Tuesday, January 24,	Adam Smith (The Invisible Hand)	“Smith -- Of the Division of Labor,” <i>from the Wealth of Nations</i>
4. Thursday, January 26	Thomas Robert Malthus	“Malthus – Essay on Population.” Recommended: Heilbroner, Chapter 4, “The Gloomy Presentiments of Parson Malthus and David Ricardo”
5. Tuesday, January 31	Classical Monetary Economics	Rockoff: “Notes on Classical Macroeconomic Theory.”
6. Thursday, February 2	The Classical Case for Free Trade	Rockoff “Notes on Comparative Advantage.” Bastiat -- "A Petition" and "A Negative Railroad"
7. Tuesday, February 7	David Ricardo -- The Theory of Rent	Rockoff: “Notes on the Theory of Rent”

8. Thursday, February 9	Karl Marx -- The Labor Theory of Value	Rockoff, "Notes on the Labor Theory of Value" Marx, "the Factory Acts" Recommended: Heilbroner, Chapter 6, The Inexorable System of Karl Marx
9. Tuesday, February 14	Karl Marx -- The Future of Capitalism	Continue the readings by and about Marx
10. Thursday, February 16	FIRST EXAM	100 Points, multiple-choice and short- answer questions, stressing, but not limited to, the lectures. Some of the reading questions will be on the exam, and there might be a few other questions from the readings not covered in class.
11. Tuesday, February 21	William Stanley Jevons (my hero) -- Utility, Price Indexes, Money, and Sunspots	"The Life of William Stanley Jevons"
12. Thursday, February 23	Guest Lecture on Friedrich Hayek by Stefan Kolev	
13. Tuesday, February 28	Alfred Marshall -- Supply and demand, time, and consumer surplus	Rockoff, "Notes on Marshall's consumer surplus."
14. Thursday, March 2	Leon Walras -- General Equilibrium Theory (I)	Rockoff: "Notes on Leon Walras"

15. Tuesday, March 7	Thorstein Veblen	Heilbroner – The Savage World of Thorstein Veblen"
16. Thursday, March 9	John Kenneth Galbraith	"Essay on Galbraith" "Galbraith – Economics as a System of Belief"
March 11-19	Spring Break	
17. Tuesday, March 21	Class Cancelled	
18. Thursday, March 23	Joseph Schumpeter	"The Contradictions of Joseph Schumpeter," Heilbroner.
19. Tuesday, March 28	John Maynard Keynes (I) -- Labor Markets and Unemployment	"The Heresies of John Maynard Keynes," Heilbroner, Chapter 9
20. Thursday, March 30	John Maynard Keynes (II) -- Monetary Policy	Keynes – "Concluding Notes on the Social Philosophy towards which the General Theory might Lead."
21. Tuesday, April 4	Second Exam	100 Points, multiple-choice and short- answer questions, stressing, but not limited to, the lectures. Some of the reading questions will be on the exam, and there might be a few other questions from the readings not covered in class.
22. Thursday, April 6	Edward Hastings Chamberlin	"Chamberlin -- Product Heterogeneity and Public Policy."

23. Tuesday, April 11	Milton Friedman (I) -- The Revival of Monetary Policy	“Interview with Milton Friedman,” “Autobiography of Milton Friedman” “Friedman -- The Role of Monetary Policy”
24. Thursday, April 13	Milton Friedman (II) -- Economic Policy	Continue reading the articles by and about Friedman
25. Tuesday, April 18	Milton Friedman (III) – Flexible Exchange Rates	Rockoff: “Notes on Flexible Exchange Rates”
26. Thursday, April 20	Ronald Coase	Coase – Autobiography Coase – Nobel Prize Lecture
27. Tuesday, April 25	George Stigler	Stigler -- Autobiography Stigler – Nobel Prize Lecture
28. Thursday, April 27	To be announced	To be announced
29. Friday, May 5, 8am- 11am. The exam may not be in our regular classroom. I’ll announce it, when I know for sure.	Final Exam	The final exam will consist of multiple-choice and short-answer questions. It will focus on the material presented after the second exam, but will include questions addressing the main points covered in the first and second segments of the course.

Let's Have a Great Semester.

