



Department of Economics and Finance

**ECON\*4890**  
**History of Economic Thought**  
**Fall 2013**



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Instructor: B. Ferguson  
M W F 1:30-2:20 MacKinnon 233

It is your responsibility as a student to be aware of and to abide by the University's policies regarding academic misconduct, e-mail communication, maintaining copies of out-of class assignments, what to do when you cannot meet a course requirement and the drop date for this semester. To better understand these policies, visit:

<http://www.uoguelph.ca/economics/node/1115>

**COURSE OUTLINE**

This course will focus on the writings of Adam Smith and his place in the History of Economic Thought. While we normally date the emergence of economics as a formal discipline from the publication, in 1776, of Smith's Wealth of Nations, writings about economic issues date back to the time of Plato and Aristotle. These writers, and such later authors as St. Thomas Aquinas, treated economic questions as a branch of ethics. The idea that economics is a branch of moral philosophy characterizes much of the early development of the discipline, including the work of Adam Smith, whose first book, The Theory of Moral Sentiments (1<sup>st</sup> edn., 1759) set out very precise ethical and philosophical underpinnings for the economic analysis which he then developed in Wealth of Nations. This course will look at Smith's writings, both Wealth of Nations and The Theory of Moral Sentiments, and set them in the context of earlier writing on economic issues. It will also look at Smith's writings from a present-day perspective and discuss why we generally treat Smith as the first modern economist.

**Required Textbooks:**

Adam Smith: The Theory of Moral Sentiments.

Adam Smith: The Wealth of Nations

Students may use any editions of the two books by Adam Smith so long as they are complete and unabridged editions.

Ingrid Rima: Development of Economic Analysis, Seventh Edition, Routledge, 2009

Students will be expected to read selections from Theory of Moral Sentiments (TMS) and Wealth of Nations (WN). The course will begin with TMS and move on to WN. Earlier writers will be discussed as they become relevant to sections in, and development of, Smith's writings. The Rima text will be used to give some context to earlier (and later) writers on economic topics.

**Evaluation:**

There will be one midterm exam, worth 25% of the course grade, to be written in class time on **Friday, October 18**, a major essay of no fewer than 8000 words, worth 25% of the course grade, due no later than class time on **Friday, November 15**, and a final examination, worth 50% of the course grade and covering the entire semester's material, to be written Dec. 12, 2013 from 7:00-9:00 pm. **There will be no deferred midterm exam.** Any student missing the midterm, or doing better on the final than on the midterm, will have the midterm weight shifted to the final. None of the essay weight will be shifted.

The essay must deal with the contribution to economic analysis of one of six economists. You may make your own choice as to which one to write about. The options are:

William Stanley Jevons

Nassau Senior

Leon Walras

Henry Thornton

Irving Fisher

Lionel Robbins

While your essay should include some material on the historical background and setting of your subject's work, and some biographical material, the focus must be on their place in, and contribution to, the history of economic thought. The American Economics Association format must be used for references. A copy of this format will be posted on the ECON4890 Courselink page.

You will be asked to complete **an in class evaluation** for this course sometime during the last two weeks of classes. The Department of Economics policy regarding the conduct and use of these evaluations can be found at:

<http://www.uoguelph.ca/economics/academics/courses/course-evaluation>

**In keeping with the University's Learning Outcomes, the Department of Economics and Finance *Learning Outcomes (skills and knowledge competencies)* for this course are:**

**Skills:**

**Written Communication:** Students will write a major essay discussing the works and contribution to economic science of one of six economists. They will be expected to be able to explain the essential features of their subject's work, set their work in historical context and evaluate their contribution to economics. The essay will be marked on clarity and coherence as well as on essential content.

**Problem Solving in a Real World Context:** Students will judge how economic analysis has been used to explain real world problems and develop policies in the past, and form opinions as to the commonalities between economic policy problems in earlier periods and those of the present day.

**Knowledge:**

**Micro and Macroeconomic Modelling:** Students will be expected to be able to explain the micro and macroeconomic analysis developed by Adam Smith and his predecessors. They will be able to relate the early formulations of the tools of economic analysis to the present-day versions of those tools which they will have seen in other courses in micro- and macro-economics.

**Historical Context:** Students will be able to place Adam Smith and his predecessors in their historical context, relating the development of economic theory to policy questions of the 18<sup>th</sup> Century and earlier. They will form opinions about the link between economic and ethics, and the way the perception of economics as a branch of ethics has changed over time, from Aristotle through Aquinas to Adam Smith.

**Economic Policy:** Students will evaluate the way economic analysis was used in policy analysis in earlier periods, and also judge the degree to which certain policy questions and proposed policy solutions have reappeared throughout history.