

Semester VI
ECODSC – 354
History of Economic Thought
Total Credit: 4
Teaching Hours: 45 Hours

Course Description:

This paper is designed to familiarise the students with the history of economic thought, the contributions of economists belonging to the recognised schools systematically. The paper is divided into five units covering different phases of evolution of economic ideas starting from the pre-Adamite Thought to modern economic thought. The course also includes a separate unit on Indian economic thought.

Course Outcome:

After completion of the course the students will know the chronological development of economic thought/ ideas, the differences in economic ideologies across the different schools and would be able to reconcile ideas in understanding current economic issues.

Unit 1: Introduction

Meaning, nature and scope of economic thought, significance of history of economic thought, approaches to the study of economic thought, origin and growth of economic thought.

Pre-Adamite thought: Greek economic thought: Plato and Aristotle, Mercantilism and physiocracy, basic economic ideas and contributions.

Unit 2: Classical Economic Thought

Origin of classicism: Adam Smith, theory of division of labour, labour theory of value, distribution and economic growth, contributions of Ricardo and Malthus, theory of glut, Say's law of market, critics of classical economic thought: Historical School; J.S. Mill: restatement of classical economic thought.

Unit 3: Reconstruction of Economic Science:

Austrian School: Carl Menger, Wieser, Bohm- Bawerk

Marginalist School: Features, Gossen, Jevons and Clark

Mathematical School: A. Cournot, Gustav Cassell

Socialist School: Karl Marx (Capitalistic development, surplus value, crisis)

Unit 4: Neo-Classical and New Economic Thought:

Marshall: contribution of Marshall, consumer surplus, elasticities, cost, internal and external economies, quasi rent, Marshall as a great synthesiser, Schumpeter's thought, role of entrepreneur, innovation and development.

Keynesian ideas: effective demand, theory of income and employment, liquidity preference theory, liquidity trap, MEC & MEI, wage rigidities, multiplier, deficit spending, cyclical behaviour of an economy, uncertainty and role of expectation, impetus to economic modelling.

Unit 5: Indian Economic Thought

Early economic ideas: economic thought in ancient India, Kautilya's Arthashastra

Modern economic ideas: Naoroji, Ranade, R.C. Dutt and M.N. Roy; economic ideas of Gandhi, Amartya Sen.

Suggested Readings:

1. C. Gide and G. Rist: A History of Economic Doctrines (2nd Edition), George Harrop and Co., London
2. Kautilya: The Artha shastra, Edited and rearranged, translated and introduced by L.N. Rangarajan, Penguin Books, New Delhi.
3. R. Blackhouse: A History of Modern Economic Analysis, Basil Blackwell, Oxford.
4. J. A. Schumpeter: History of Economic Analysis, Oxford University Press, New Delhi
5. A. K Dasgupta: Epoches of Economic Theory, Oxford University Press.
6. Indrajeet Singh and A. Kumar: Economic Thoughts of Amartya Sen, Regal Publications, 2012.

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