

## COURSE LISTINGS:

BSE 3250 – 01  
NPD 3000 – 12 NPD III

### THE DEVELOPMENT OF ECONOMIC THOUGHT (4 sh) READING GUIDE

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### **The Development of Economic Thought is a course offered for:**

- Those students seeking to satisfy the requirements for a concentration in Economics in the School of Business and Nonprofit Management
- Those students seeking to satisfy the Dialogue III requirement (with service-learning components) in General Education
- Those students seeking credit for an elective course regardless of major or concentration

### **Purposes of the Course**

- The primary purpose of the course is to acquaint students with the major historical trends and schools of economic thought within their respective historical contexts. Utilizing this knowledge, students will engage in service-learning projects throughout the course as described below in **The Relationship Between the Study of Economics and Service-Learning at North Park University.**
- A second purpose of the course is to explore the question, “What is a life of Significance?” in various historical contexts. Here, students will write three (3) **Discussion Papers** to develop analysis and writing skills.
- A third purpose of the course is to gain an understanding of the contributions of writers as they attempted to deal with the economic issues and problems of their times. An emphasis is

placed on the analytical nature of their thought as well as the purposes and results of their inquiries. **Guest lecturers** will visit the class with special insights into historical questions and topics.

- A fourth purpose is to acquaint students with important primary and secondary sources which have provided the foundations for the classification of writers into various and appropriate schools of thought. These sources will provide the students with interpretations of economic concepts and economic history, and will also provide methods of classification and organization.
- A final purpose of the course is to provide students with an encompassing knowledge of the development of the discipline of economics as a social science. Students will explore how the economic problem of the allocation of scarce resources is viewed over time in historical context. This knowledge provides students with an appreciation for the powers of analytical investigation in the study of economics.

## **Learning Objectives**

Students should refer to the following website in order to better understand the purpose of the Learning Objectives: <http://www.coun.uvic.ca/learning/exams/blooms-taxonomy.html> This site presents Benjamin Bloom's taxonomy classifying Competence and corresponding Demonstrated Learning Skills.

- Knowledge—retention of information
- Comprehension—understanding information
- Application—use information
- Analysis—recognize patterns
- Synthesis—use old/create new ideas and constructs
- Evaluation—comparison and assessment

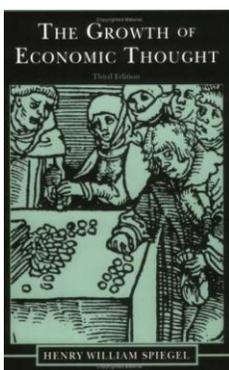
The following **Learning Objectives** are established in order for students to become better able to:

1. Apply historical economic concepts to solution of contemporary, practical problems
2. Analyze the process of resource allocation, and the relationship of production to cost
3. Acquire a basic understanding of leading theories and models, and apply these models to service-learning projects

4. Identify the major characteristics of the contemporary market based economy: in terms of exchange and utility
5. Learn how to apply the behavior and choices made by consumers to service-learning projects
6. Learn how to apply the lessons of economic theory in historical context to contemporary issues
7. Identify economic time periods as applied to production and cost
8. Explore the basic concepts underlying the demand for factors of production
9. Appraise and analyze business strategy in a contemporary context, and apply strategic decision-making to social issues
10. Use the competitive model as a standard of comparison for other market structures
11. Investigate and apply the concepts of positive and negative externalities in a contemporary context
12. Learn how the study of economics can provide a set of analytical tools for ethical decision-making

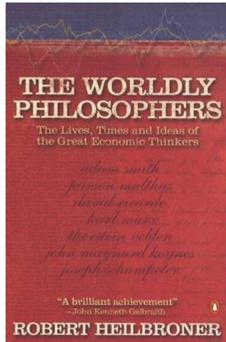
### **Required Text for the Course**

- Henry William Spiegel, *The Growth of Economic Thought*, Duke University Press, Durham, Latest edition.

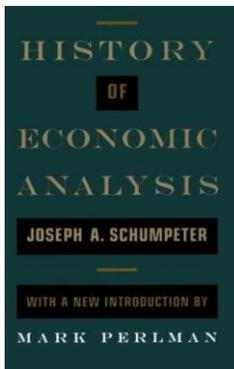


Recommended (Not Required) Texts:

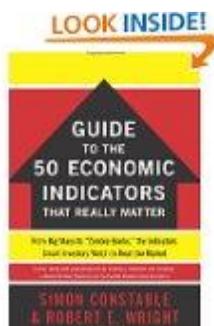
- Robert L. Heilbroner, *The Worldly Philosophers*, Prentice-Hall (Pearson). This book is available in many paper editions.



- Schumpeter, Joseph A., *History of Economic Analysis*, New York: Oxford University Press, 1954.



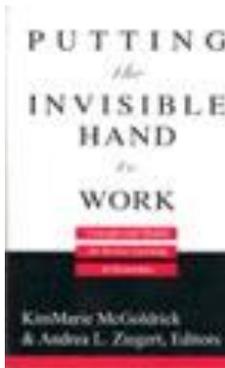
- The WSJ Guide to the 50 Economic Indicators That Really Matter



## The Relationship Between the Study of Economics and Service-Learning at North Park University

### Recommended Source on Service-Learning in Economics

- KimMarie McGoldrick and Andrea L. Ziegert, eds., *Putting the Invisible Hand to Work Concepts and Models for Service- Learning in Economics*, The University of Michigan Press, Ann Arbor, 2002.



### Statement on Service-Learning From *Putting the Invisible Hand to Work*, p. 2:

*Service learning is a method of experiential learning that links the classroom with the local community. It requires students to spend time in volunteer service and relate their experiences there to the educational theories learned in the classroom. Service learning is unique in that it requires students to perform activities that economists would perform. During the service-learning project, students identify economic issues, formulate hypotheses, gather evidence, develop economic explanations, link evidence relating their experiences with these economic theories, and make policy recommendations. Thus, service learning suggests an active approach to learning economic theory. In addition, because service learning uses student experience as the context in which students learn and apply economics, it makes economics more accessible to a diverse student body.*

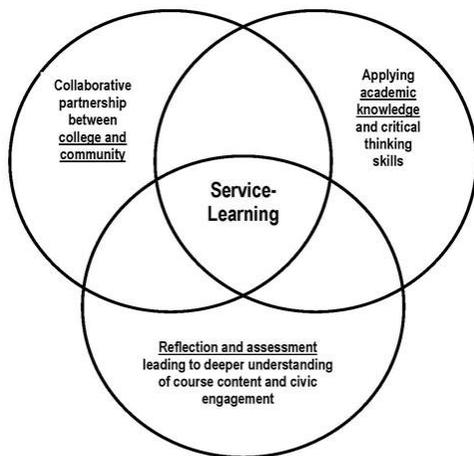
Students should explore the Service-Learning Home Page at:

<http://www.servicelearning.org/>

Students will learn about *The Characteristics of Service-Learning* at:

[http://www.servicelearning.org/what\\_is\\_service-learning/characteristics](http://www.servicelearning.org/what_is_service-learning/characteristics)

## Service-Learning Using a Venn Diagram



### Service-Learning in the Development of Economic Thought

Service-learning projects will take place in conjunction with the North Park/Albany Park community organization, the North River Commission (NRC). <http://northrivercommission.org/>

#### **The Mission of the North River Commission:**

*The North River Commission (NRC) is a community-based organization founded in 1962 by concerned residents and neighbourhood institutions. NRC unites over 100 civic associations, businesses, schools, institutions and places of worship on the northwest side of Chicago to improve the quality of life for all constituents in our community by creating affordable housing, quality education, arts & cultural endeavours, open spaces, and stable neighbourhood businesses.*

**We will be working with and guiding students on team projects dealing with the following topics:**

- **Data collection and interpretation in the community**
- **Development of business plans for community organizations**
- **Special studies on the local economy**
- **Assessing the resources and needs in the local economy**
- **Planning for the future development of the community**

## **SBNM Statement on Academic Honesty**

### **Academic Honesty:**

In keeping with our Christian heritage and commitment, North Park University and the School of Business and Nonprofit Management are committed to the highest possible ethical and moral standards. Just as we will constantly strive to live up to these standards, we expect our students to do the same. To that end, cheating of any sort will not be tolerated. Students who are discovered cheating are subject to discipline up to and including failure of a course and expulsion.

Our definition of cheating includes but is not limited to:

1. Plagiarism—the use of another’s work as one’s own without giving credit to the individual. This includes using materials from the internet.
2. Copying another’s answers on an examination.
3. Deliberately allowing another to copy one’s answers or work.
4. Signing an attendance roster for another who is not present.

In the special instance of group work, the instructor will make clear his/her expectations with respect to individual vs. collaborative work. A violation of these expectations may be considered cheating as well.

For further information on this subject you may refer to the Academic Dishonesty section of the University’s online catalog.

In conclusion, it is our mission to prepare each student for a life of significance and service. Honesty and ethical behavior are the foundation upon which such lives are built. We therefore expect the highest standards of each student in this regard.

## **Evaluation Process**

**Three examinations will be given, a total of 50%. Students will be required to write three (3) Discussion Papers (4 - 6 pages each), weighted at 20%. One additional paper may be written for extra credit. Service-learning projects will be team-based and weighted at 30%.**

**NOTE: The Discussion Papers should also be viewed as opportunities to develop writing skills.**

## TOPICS AND READINGS

Week(s)	Topics
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### **SPECIAL NOTICE:**

The course will begin with a bibliography, research, database instruction session with Prof. Laura Burt of North Park University's Brandel Library. Student will learn how to conduct research, organize data, and select appropriate research sources as they begin work in the study of economics and the relationship to service-learning projects.

### **Reading for Week 1:**

Week 1	The Ancient World
	The Greeks and Romans
	Christianity and the Economic Thought of the Bible
Spiegel, Chapters 1 and 2	
Click on <a href="http://homepage.newschool.edu/~het/">http://homepage.newschool.edu/~het/</a>	
Then click on Schools of Thought, then Pre-Classical, and <u>The Ancients and the Scholastics</u>	
See Early Economic Thought at: <a href="http://www.newworldencyclopedia.org/entry/Ancient_economic_thought">http://www.newworldencyclopedia.org/entry/Ancient_economic_thought</a>	

**For reference and research see The History of Economic Thought website: <http://homepage.newschool.edu/~het/>**

## **The Beginning of Week 2:**

### **AN INTRODUCTION TO SERVICE-LEARNING**

The class will visit the North River Commission for a meeting with Executive Director, Liz Griffiths. Students will form teams to carry out the assigned projects.

In advance, click on the following site and explore information on the North Park and Albany Park communities:

Chicago: The Chicago Area Communities Map and Fact Links:

<http://www.wildonions.org/CommunitiesMap-Resource.htm>

**An additional site for North Park and Albany Park information:**

Demographic Information for Albany Park and Surrounding Communities (includes North Park): <http://www.apncorganizing.org/demosalbanypark.htm>

**After our NRC visit:**

There will be a full class discussion on the topic: What is Service-Learning and Why is it Important? This discussion will help to facilitate student team projects.

## **Reading for Week 2:**

Week 2

The Fall of Rome

The Dark Ages

Charlemagne's empire

Feudalism and the Manorial System

The Church

Spiegel, Chapter 3

Follow this link to a discussion of the Fall of Rome:

[http://www.bbc.co.uk/history/ancient/romans/fallofrome\\_article\\_01.shtml](http://www.bbc.co.uk/history/ancient/romans/fallofrome_article_01.shtml)

For a discussion of Feudalism, see:

<http://www.wordiq.com/definition/Feudalism>

## **Reading for Weeks 3 – 4:**

Weeks 3 - 4

The Beginnings of the Market Economy

The Expansion of Trade

Spiegel, Chapter 4

See The End of Europe's Middle Ages at:

[http://www.ucalgary.ca/applied\\_history/tutor/endmiddle/FAMES/econframe.html](http://www.ucalgary.ca/applied_history/tutor/endmiddle/FAMES/econframe.html)

## **Discussion Paper 1:**

**Choose a time period from the reading assignments. Discuss the characteristics of an early economic system as a community attempting to solve the economic problem of scarcity.**

## Reading for Weeks 5 – 6:

Weeks 5 - 6

Renaissance, Reformation, and the Rise of the Nation State

The Beginnings of Commercial Capitalism

Mercantilism: *Power and Plenty*

What is “wealth”?

Bullionism and Mercantilism

Mun, Malynes, Misselden

Petty

Boisguilbert

Cantillon

Spiegel, Chapters 4, 5, 6, and 7

Thomas Mun, *England's Treasure by Foreign Trade* at:

<http://socserv2.socsci.mcmaster.ca/~econ/ugcm/3ll3/mun/treasure.txt>

Also see *Then Again Primary Source* (short version of Mun's book) at:

<http://www.thenagain.info/Classes/Sources/Mun.html>

An overview of Mercantilism at:

<http://www.econlib.org/library/Enc/Mercantilism.html>

## EXAMINATION 1

## Reading for Week 7:

Week 7

The Physiocrats and the *Tableau*

David Hume and the *quantity theory*

The beginnings of Industrial Capitalism

The Classical School: Adam Smith and the *Wealth of Nations*

Spiegel, Chapters 8, 9, and 10

Before the *Wealth of Nations*, Adam Smith as a moral philosopher:

*The Theory of Moral Sentiments* at:

<http://www.econlib.org/library/Smith/smMS.html>

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*:

<http://www.econlib.org/library/Smith/smWN.html>

Note: Find the *invisible hand* at IV 2.9:

<http://www.econlib.org/library/Smith/smWN13.html#B.IV,%20Ch.2,%20Of%20Restraints%20upon%20the%20Importation%20from%20Foreign%20Countries>

A discussion of Adam Smith and *The Wealth of Nations* on C-Span 2:

<http://www.booktv.org/Watch/11322/Discussion+of+Adam+Smiths+The+Wealth+of+Nations.aspx>

## Beginning of Week 8:

**Preliminary reports on Service-Learning Projects with the North River Commission**

## Reading for Week 8:

Week 8

The Classical School continued

J.B. Say, T.R. Malthus and David Ricardo

The Quantity Theory; debate between the  
Currency School and the Banking School

The Philosophical Radicals

The doctrine of *laissez-faire*

Spiegel, Chapters 11, 12, 13, and 14

Here's a link to an overview and discussion of the Classical School:

[http://www.newworldencyclopedia.org/entry/Classical\\_economics](http://www.newworldencyclopedia.org/entry/Classical_economics)

See T. R. Malthus, *An Essay on the Principle of Population*:

<http://www.econlib.org/library/Malthus/malPlong.html>

*T.R. Malthus and David Ricardo* at: <http://homepage.newschool.edu/~het/>

See David Ricardo, *On the Principles of Political Economy and Taxation* (Note: The concept of *comparative advantage* is found in Chapter 7):

<http://www.econlib.org/library/Ricardo/ricP.html>

## **Reading for Week 9:**

Week 9	Karl Marx: <i>Capital</i>
	J.S. Mill
	The beginnings of <i>mathematical economics</i> and marginal analysis
	<i>A. Cournot</i>
	<i>J. Dupuit</i>
	<i>W. Gossen</i>
Spiegel, Chapters 15, 16,18,19, 20	
Website for Mill's <i>Principles</i> :	
<a href="http://www.econlib.org/library/Enc/bios/Mill.html">http://www.econlib.org/library/Enc/bios/Mill.html</a>	
Website for Marx's <i>Capital</i> (Vol. 1):	
<a href="http://www.econlib.org/library/YPDBooks/Marx/mrxCpA.html">http://www.econlib.org/library/YPDBooks/Marx/mrxCpA.html</a>	

## **Discussion Paper 2:**

**What is “capitalism”? How did the Classical writers view the system?  
What are the major characteristics of this type of economic system?  
How does capitalism compare to other types of economic organization?**

## **EXAMINATION 2**

## Reading for Weeks 10 – 11:

Weeks 10 - 11

Neoclassical Economics and the Marginalists:  
Exchange and utility

W.S. Jevons  
Carl Menger  
Leon Walras  
Alfred Marshall and the *Principles*

Spiegel, Chapter 22

Website for Marshall:

<http://www.econlib.org/library/Marshall/marP.html>

Discussion of Neoclassical Economics at:

<http://www.econlib.org/library/Enc1/NeoclassicalEconomics.html>

The Extensions of Marginalism:  
Marginal productivity

The German Historical School: Roscher and Hildebrand  
The Austrian School: Menger and Bohm-Bawerk

Capital and interest

Walras's *general equilibrium*

Hayek

Schumpeter

Weber and Tawney  
Christianity and capitalism

Spiegel, Chapter 22, 23, 24

The German Historical School:

[http://www.newworldencyclopedia.org/entry/German\\_Historical\\_school](http://www.newworldencyclopedia.org/entry/German_Historical_school)

The Austrian School:

<http://www.econlib.org/library/Enc1/AustrianEconomics.html>

The Historical School and Alfred Marshall:

<http://www.geoffrey-hodgson.info/user/image/marshallvshistschl.pdf>

Christianity and capitalism:

Tawney, R. H., *Religion and the Rise of Capitalism*, New York: Penguin Books, 1947.

Weber, Max, *The Protestant Ethic and the Spirit of Capitalism*, Transl. by Talcott Parsons, New York: Scribner, 1948.

Weeks 10 – 11 CONTINUED

Euler's theorem

F.Y. Edgeworth

P. Wicksteed

J.B. Clark

K. Wicksell

A.C. Pigou

Spiegel, continue Chapters 22, 23, 24; Chapter 25

See A. C. Pigou, *The Economics of Welfare*:

<http://www.econlib.org/library/NPDBooks/Pigou/pgEW.html>

**Discussion Paper 3:**

**What was a life of Significance viewed in the context of 19<sup>th</sup> century writing on economics? What was a community?**

## **Reading for Week 12:**

Week 12

Indifference curve analysis

Edgeworth and Fisher

Knight

Pareto optimum; Pareto's law

Fisher's *The Theory of Interest*

Spiegel, Chapters 26 and 27

*The Theory of Interest.*

<http://www.econlib.org/library/YPDBooks/Fisher/fshTol.html>

The Stockholm School

Wicksell's *Interest and Prices*

The Quantity Theory: Fisher and Pigou

Business cycle analysis

Veblen and institutional economics

Schumpeter's *Theory of Economic Development*

Chamberlin and Robinson: monopolistic and imperfect competition

Spiegel, continue Chapter 26 and 27; add Chapter 28

Read about the Stockholm School at:

[http://www.newworldencyclopedia.org/entry/Stockholm\\_school\\_\(economics\)](http://www.newworldencyclopedia.org/entry/Stockholm_school_(economics))

Knut Wicksell at:

<http://www.econlib.org/library/Enc/bios/Wicksell.html>

Irving Fisher at:

<http://www.econlib.org/library/Enc/bios/Fisher.html>

Edward Chamberlin at:

<http://www.economictheories.org/2008/09/edward-chamberlin-product.html>

Joan Robinson at: <http://homepage.newschool.edu/~het>

## **Reading for Weeks 13 – 14:**

Weeks 13 - 14

The Great Depression: 1929 - 1941

J.M. Keynes:

*The Economic Consequences of the Peace*

*The End Of Laissez Faire*

*The Treatise*

*The Open Letter*

*The General Theory*

The Chicago School

Spiegel, review Chapter 26

*The Economic Consequences of the Peace:*

<http://www.econlib.org/library/YPDBooks/Keynes/kynsCP.html>

*The End of Laissez-Faire:*

<http://www.panarchy.org/keynes/laissezfaire.1926.html>

Two Sources for The *Open Letter*:

<http://www.naomiklein.org/files/resources/pdfs/keynes-roosevelt-1933.pdf>

<http://newdeal.feri.org/misc/keynes2.htm>

J. M. Keynes, *The General Theory of Employment, Interest, and Money*, London: Macmillan. 1936.

On The Chicago School:

<http://homepage.newschool.edu/~het/>

**EXTRA CREDIT Discussion Paper 4:**  
**Have we come to “an end of *laissez-faire*”?**

**Reading for Weeks 15 – 16:**

Weeks 15 - 16

Samuelson's *Foundations*

Game theory

Input-output analysis

Econometrics

Theories of economic development and growth

Spiegel, review Chapter 28; Chapter 29

Milton Friedman and Monetarism:  
The Role of Money in the Economy

*Demand-side and Supply-side analysis*

Neo-Keynesians

The Great Inflation: 1965 - 1982

Rational Expectations

Monetary policy and Fiscal policy

The Phillips curve

The New Paradigm: low inflation *and*  
low unemployment?

The global system

Spiegel, Chapter 29

See Milton Friedman: <http://homepage.newschool.edu/~het/>

See Monetarism: <http://www.econlib.org/library/Enc/Monetarism.html>

## ***FINAL EXAMINATION***

History of Economic thought website: <http://homepage.newschool.edu/~het/>