The Classical Theory of Price

The purpose of this course is to study the structure and logic of the classical theory of relative price, and to examine its empirical significance to modern economies. Students will be encouraged to pursue their own theoretical and empirical investigations. A final paper is required.

I. Ricardo


CH I: On Value
CH IV-VI: Market Price, Natural Price, Wages and Profits


II. Marx on Values and Prices of Production


CH I: Distinction between "Profit on Alienation" and Positive Increases in Wealth [Two Sources of Profit]


CH XLVIII: The Trinity Formula
CH IX: Transformation of Values into Prices of Production
CH XI: Effects of General Wage Fluctuations on Prices of Production [Ricardo's Concern]


CH X; Sections 2-5: Ricardo's and Adam Smith Theory of Cost-Price (Refutation)

4. Interaction of Profit on Production and Profit on Transfer


CH I: Sir James Steuart. Distinction between “Profit upon Alienation” and the Positive Increase of Wealth

III. Sraffa


Preface
CH I-II: Production and Prices of Production
CH III-V: The Standard Commodity
CH VI: Dated Labor
CH XII: Switches in Methods of Production

2. Comments on Sraffa


IV. Mathematical formulations


   Mathematical Appendix: Matrix Algebra
   CH I-II: Reproduction Schemes and Transaction Tables
   CH III-IV: Linear Models and Input-Output Analysis
   CH V: Sraffa Systems

V. Cambridge Capital Controversies


VI. Empirical Investigations of Prices and Labor Values


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VI. Current Research

TBA