Lecture 1

Introduction; Ancient Economics; Accounting

The present overview of the lecture is the first of a series of similar messages. They will be posted on the course homepage at

`https://web.econ.ku.dk/keiding/underv/HET/HistTheory.html`

where they will appear some days before the lecture.

The outlines give a brief summary of what happens in the lecture, with comments on what is important in the textbook and what is not.

From time to another (actually, quite often) I shall move away the textbook (otherwise there would even less reason for attending the lectures). In some cases, the topics discussed will be presented also in a *lecture note* at the course homepage. All additional material is of course voluntary.

We begin the lecture with a few practical things – textbook, course homepage, handouts and lecture notes, voluntary assignments and exam. This will not take up much time, and anyway most of it will be repeated as we proceed over the semester.

Our textbook is

R.B.Ekelund, R.F.Hébert: A History of Economic Theory and Method, 6th edition, Waveland Press, 2014.

The printed version is out of stock, and the publisher will probably not make a new version, however electronic versions should be obtainable. I have put a short note about alternative texts on the homepage.

Chapter 2 gives one of the reasons that Ekelund&Hebert (in the following EH) is considered as one of the best textbooks – other texts ignore much of the prehistory, leaving it with a few remarks on Aristotle and the scholastics and their condemnation of paying interests on loans. HE begins with Greek authors much earlier than Aristotle, you don't need to know details, but pay some attention to the treatment of Xenophon and Plato, just to notice that many notions of economics came around already at this time. We spend some time on the exchange model of Aristotle.

A very good brush-up of economic history with a view to the assessment of early economic thought is given in Caspari (C) Chapter 2.

The chapter in HE mentions both Chinese and Arab contributions. They are perhaps not very far-reaching at this stage, but it is worth noticing that important developments took place in other parts of the world. We postpone the discussion of medieval economic thought the next lecture. the scholastics (which in their turn were initiated after the influence if the Arabs who followed up on the Greek tradition). You are not supposed to remember the many different contributors (except Thomas of Aquinas), but the discussion of the tricky questions of usury and interest payments (pp.29-35) is important and should be known in outline.

We conclude the lecture with a detour dealing with *Accounting.* It may not be considered as economics, but on the other hand, one never knows, and there are many examples where progress in economic thinking was inspired by impulses from elsewhere.

Accounting is an old discipline, having roots in ancient times but being particularly developed in the late middle ages, where it became essential for keeping track of the business carried out by merchants trading in the orient. This goes also for one of the main tools of accounting, namely *double-entry bookkeeping.*

We read: EH, chapter 2. (This paragraph refers only to curriculum literature, additional reading as indicated is strongly encouraged!)