

A/ ASSIGNMENT RECAP

- Write a **350-word personal reflection** focusing on one key concept or idea from their assigned school of economic thought.
- Explain why they found it important or novel and how it has impacted their perspectives.
- The journal will be assessed on **depth of reflection, use of evidence, analytical insight, and writing style.**

Suggested Structure:

- I. Introduction (Suggested 50 words)**
- II. World View (Suggested 80 words)**
- III. Assumptions (Suggested 80 words)**
- IV. Examples of Applications (Suggested 80 words)**
- V. Reflective (Suggested 80 words)**

B/ KEYWORD EXPLANATIONS

1. Classical Economics

An 18th-19th century school founded by Adam Smith focused on how markets and capitalism operate through concepts like the invisible hand, emphasizing free markets and minimal government intervention.

Key concept - Invisible hand

The invisible hand refers to the automated nature of markets, where the decisions of self-interested individuals inadvertently promote the social good. Markets maximize efficiency when left alone.

2. Neoclassical Economics

A 19th-20th century school based on marginal utility theory, rational choice theory and equilibrium analysis which formalized economics as a deductive mathematical science grounded in optimization.

Key concept - Rational choice theory

Assumes individuals act rationally to maximize utility/profits. People weigh costs and benefits rationally when making economic decisions. Provides a foundation for modeling behavior.

3. Marxian Economics

A radical critique of capitalism pioneered by Karl Marx, analyzing class conflict, labor exploitation, historical materialism, crisis tendencies in capitalism, and advocating revolutionary socialism.

Key concept - Class conflict

Marx saw economic history as driven by conflict between social classes. He critiqued capitalism concentrating power and wealth, exploiting workers. Class dynamics shape society.

4. Austrian Economics

The estimated parameter values from a regression model quantify the effect of each independent variable on the dependent variable.

Key concept - Opportunity cost

Every decision has an opportunity cost - the value of the next best-foregone alternative. Opportunity cost theory studies decision-making and advocates people thinking at the margin.

C/ FOOD FOR HUNGRY THOUGHTS

- Critiquing Neoclassical Assumptions (The Economist):
<https://www.economist.com/finance-and-economics/1998/07/30/the-case-for-rationality>
- Behavioral Economics in the Real World (New York Times):
<https://www.nytimes.com/2002/06/23/business/behavioral-economics-in-the-real-world.html>
- Challenges to Rational Choice Theory (Financial Times):
<https://www.ft.com/content/7a91e3aa-9629-11e5-9228-87e603d47bdc>
- Rational Choice Theory in Sociology (American Sociologist):
<https://link.springer.com/article/10.1007/s12108-996-1009-4>
- Psychological Foundations of Neoclassical Economics (Journal of Socio-Economics):
<https://www.sciencedirect.com/science/article/abs/pii/S1053535777000147>
- Critiques of Neoclassical Economics (Post-Autistic Economics Review):
<http://www.paecon.net/PAEReview/issue1/ArnspergerVaroufakis.htm>
- Behavioral Challenges to Rational Choice Theory (Political Psychology):
<https://www.jstor.org/stable/3792282>