

Alfred Marshall, *Principles of Economics*, book I, cha. I-III.

Questions for chapter I – ‘Introduction’

1. What is the proper definition of economics according to Marshall?
2. Is Marshall’s definition suitable or relevant for modern economics? Discuss it.
3. What is the ultimate end of the economics science for Marshall?
4. What is the Marshall’s attitude toward free competition?
5. Find and discuss Marshall’s argument for or against free competition.

Questions for chapter II – ‘The substance of economics’

1. What is the place of economics among social sciences?
2. What distinguishes economics from other social sciences?
3. What can be measured and what can not be measured in economics?
4. Discuss two problems in using money as an instrument of measurement in economics.
5. What is Marshall’s remedy for these 2 problems? Does it make sense to you?

Questions for chapter III – ‘Economic generalizations or laws’

1. Is there a unique method to be applied to scientific research in economics?
2. What is the relation of economics to exact sciences?
3. What are scientific (and especially) economic laws? (Sections 7, 13, 21).
4. What is the difference between the laws of economics and the laws of physics?
5. What do you think about Marshall’s analogy to tides (economic laws are similar to the laws of tides)? Is it accurate? How would you argue that this analogy is rather misleading?