

STUDY QUESTIONS FOR RICARDO - VALUE

RUBIN, Chapter 25

1. Describe the beginning of the industrial revolution in:
 - a. cotton textiles. b. metallurgy. c. steam engines.
2. Describe the effects of the industrial revolution on workers.
3. Discuss the controversy over the Corn Laws.

RICARDO, Preface:

1. What are the main questions with which Ricardo was concerned?

RICARDO, CHAPTER 1: (numbers below refer to the sections of Chapter 1)

- 1a. What determines the exchange?value of commodities, according to Ricardo?
- 1b. What is the effect of an increase in the productivity of labor on the value of commodities?
- 1c. Summarize Ricardo's critique of Smith's theory of exchange?value.
2. How does Ricardo deal with different skills and intensities of labor?
3. How does Ricardo incorporate "implements, tools, and buildings" into his labor theory of value?
 - 4a. How is the determination of prices modified by the employment of fixed capital?
Why is this modification necessary? Can you figure out a general algebraic equation for Ricardo's theory of prices with fixed capital? (These are difficult questions, due to Ricardo's own confusion and very unclear examples.)
 - 4b. How is the rate of profit determined in this section?
 - 4c. How does an increase in wages affect the price of cloth (a capital?intensive good)?
How does an increase in wages affect the price of corn (a labor intensive good)?
 - 4d. How is Ricardo's modified theory similar to and/or different from Smith's cost of production theory of value? What problems or shortcomings do you see with Ricardo's modified theory?

5. How is the determination of prices modified by the unequal turnover times of capital?
- 6a. Why did Ricardo seek to find an "invariable measure" of value? What was the outcome of his search?
- 6b. What is the effect of a decline in the value of money on the price of all other commodities?