

STUDY QUESTIONS FOR MARX --EQUAL RATES OF PROFIT AND EVALUATION

MARX, Capital, Volume 3, Chapter 9, pp. 154-60:

1. Explain why the labor theory of value seems to imply that industries with unequal compositions of capital will have unequal rates of profit. Illustrate this implication with a numerical example.
2. Review Marx's preview of this apparent implication of the labor theory of value in Volume 1, Chapter 11, pp. 420-22.
3. Summarize Marx's theory of the determination of "prices of production". What is the general algebraic equation for the determination of prices of production that Marx implicitly uses in his numerical examples?
4. Explain how the determination of "prices of production" is derived from the labor theory of value. In particular, how is the rate of profit determined?

BLAUG

1. Do you think that Blaug provides a good introduction to Marx's theory?
2. Do you think that Blaug provides a correct interpretation of specific aspects of Marx's theory?
3. Summarize Blaug's evaluation of Marx's theory of profit as unearned income (pp. 229-35).
4. Summarize Blaug's evaluation of Marx's theory of the falling rate of profit (pp. 235-40, 245-57 and 268-71).
5. Summarize Blaug's evaluation of Marx's theory of prices of production and equal rates of profit (pp. 218-28 and 265-68).
6. Summarize Blaug's overall evaluation of Marx's theory (pp. 274-75).

GENERAL

1. What are your own summary comments, evaluations, and questions concerning Marx's theory and Blaug's interpretation and evaluation of Marx?