

| Economist   | Contribution to Economics  |
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| Adam Smith  | 1) <b>Wealth Definition:</b> The Father of Economics defined <b>Economics as a science of wealth</b> . He regarded economics as a science which studies production & consumption of wealth.<br>2) Book : 'An inquiry into the nature and causes of the Wealth of Nations' in 1776<br>3) Promoted Capitalism<br>4) Theory of Absolute Advantage – International Trade |
| According to <b>J.B. Say</b> " <i>Economics is the study of science of wealth</i> "<br>According to <b>Adam Smith</b> " <i>Economics is the science which deals with the wealth</i> " |  |
| Alfred Marshall   | 1) <b>Welfare definition:</b> He defined economics as a social science which studies the economic activities of individuals.<br>2) Book: 'Principle of Economics'<br>3) Law of Demand<br>4) Law of Diminishing Marginal utility<br>5) Concept of Consumer surplus<br>6) Time Element for classification of Market  |
| Lionel Robbins  | 1) <b>Scarcity Definition:</b> Unlimited wants and limited means with alternative uses give rise to the problem of choice.<br>'Economics must be neutral between ends'<br>2) Books – Nature & Significance of economics, 1931  |
| Paul .A. Samuelson  | 1) Growth oriented definition<br>2) Introduced the concept of ' Collective Consumption Goods' – Public Goods.  |
| Joel Dean   | Defined Business Economics – ' Use of economic analysis in the formulation of business policies'   |
| Thorstein Veblen  | Veblen Effect / Conspicuous consumption  |
| Sir Robert Giffen   | Concept of Giffen goods  |
| J R Hicks & Allen   | 1) Explained Law of demand in terms of Substitution effect & Income effect<br>2) Indifference curve – Ordinal Approach   |
| Frank Knight  | 'Profit is the reward of uncertainties'  |
| Schumpeter  | 1) True function of entrepreneur is to introduce innovation<br>2) Trade cycle is the result of innovation  |
| Paul H. Douglas & CW Cobb   | Cobb-Douglas production function   |
| J.M. Keynes   | 1) Low aggregate expenditure is the reason for massive decline in income & employment<br>2) Fluctuation in effective demand is the reason for fluctuations in economic activities.   |
| Hawtrey   | Trade cycle is purely monetary phenomenon  |
| A C Pigou   | 1) Business activities are affected by wave of optimism & pessimism<br>2) Degrees of Price Discrimination  |
| Nicholas Kaldore  | Cobweb Theory  |
| Paul Sweezy   | Kinked Demand curve  |
| Karl Marx & Frederic Engels   | Concept of Socialism   |
| James Bates & J R Parkinson   | Defined Production – 'Production is the organized activity of transforming resources into finished product in the form of goods & services; and objective of production is to satisfy the demand of such transformed resources'.   |
| James Duesenberry   | Demonstration effect   |
| Ricardo   | Defined Land as ' Indestructible & permanent'  |
| Prof. Stigler   | Defined Oligopoly – ' situation in which a firm bases its market policy, in part, on the expected behaviour of a few close rivals'.  |

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| Richard Musgrave            | 1) 3 Branch Taxonomy of role of government – a) Resource allocation, b) Income Redistribution, c) Macroeconomic stabilization.<br>2) Introduced the term Fiscal Federalism |
| George Akerlof              | Lemon Problem  |
| Irving Fisher               | The Quantity Theory of Money   |
| Baumal & Tobin              | Inventory Theoretic approach – Demand for Money  |
| Milton Friedman             | Asset Price Theory – Demand for Money  |
| David Ricardo               | Theory of comparative Advantage – International Trade  |
| Eli Hecksher & Bertil Ohlin | Factor Endowment Theory or Hechsher Ohlin Theory or Modern Theory– International Trade   |
| Paul Krugman                | New International Trade Theory   |

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