Alfred Marshall

I. Preface
A. Marshall notes the historical relativity of economic conditions, and the manner in which they are examined (p. v.)
B. Economists takes into account both ethics and economic tendencies
C. Theme of the book: natura non facit saltum, nature makes no leaps. The historical process is evolutionary, not revolutionary. (p. vi)
D. The chief difficulty in economics: time
E. The common element in the theories of distribution and exchange: equilibrium

II. Preface to 8th edition:
A. Economic evolution is gradual, partly conscious partly unconscious
B. Mecca of economics is biology:
C. Concern of economics: change and progress
D. In the present age diminishing returns have been suspended, at least temporarily (p. xiii)

III. Introduction:
A. Economics is concerned with the study of mankind in the ordinary business of life
B. Two great forming agencies of world history: religion and economics
C. Material progress has raised the issue that poverty may be eliminated
D. The fundamental characteristic of economic life in modern times is deliberateness (p. 5)
E. Always where money has dominated people have reflected on a golden age
F. Were people virtuous, competition would be out of place. But people are not so virtuous. Individuals are seldom capable of pure altruism
G. Aim of the economists: to see how altruism can serve the public good; but this does not mean that competition should be rejected. Rejecting competition may be worse than competition itself
H. The results of the industrial revolution, and the resulting evils. (p. 9)
I. Increased growth has enable society to bring competition under control, to eliminate or mitigate the negative aspects, and retain the goods aspects. (p. 10)
J. Division of labor: implies harmony of purpose

IV. Substance of Economics
A. Economics is concerned with those motives relating to material factors
B. Money can be used as an inexact measure of motive; economists study mental states through their manifestations in prices.
C. Money is the means of measuring human motives on a large-scale (p. 18)
D. Scope of economics: if it is important, not if it is exact, or ethical, or whatever. Is it important? (p. 23)

V. Economic laws
A. Laws in economics are tendencies

VI. Aim of economic studies
A. Economics deals chiefly with that part of human motives that are measurable
B. Needs of economists: imagination, perception, and reason

VII. Wants in relation to activities (pp. 70-77)
A. Material prosperity has given rise to the development of broader range of activities than ever before, giving people the opportunity to develop their potential (p. 75)
B. Theory of consumption is not the basis of economics, but of activity (p. 76)

VIII. Value and Utility
A. Consumer surplus: explains that insofar as exchange is voluntary, everyone benefits
B. Diminishing marginal utility as applied to income; a dollar to a poor man is worth more to him than a dollar to a rich man is worth to a rich man
IX. Growth of Wealth (pp. 183-99)
A. Wants expand along with wealth and knowledge; hence, there is no reason to think that there will be a stationary state in which no new wants to be satisfied (p. 185)
B. A reduction in economic growth is not necessarily ad if the great masses of people benefit
C. Accumulation of wealth is the result of postponing enjoyment, and waiting for it. (p. 193)

X. Increasing and Decreasing Returns (external and internal economies)
A. Decreasing returns--associated with the part that nature plays (fixity of land and resources) (p. 265)
B. Increasing returns--associated with the parts that humans play (p. 265)

XI. Equilibrium of Normal Demand and Supply (281-291)
A. Determination of value
B. Value theory--synthesis of the labor and utility theories of value based on time.
C. In the market period (instant of time) demand (utility) determines value
D. In the secular long run (years and years) supply (cost of production) determines value
E. In the intermediate period, both demand and supply, utility and production costs (p. 290)