

① Explain the contributions of Jevons to the history of economic thought?

Ans ⇒ He was born in 1835 at Liverpool in England. He studied at University College of London. He was scholar in political economy as well as in philosophy. He died in 1882.

Following are the ideas of Jevons—

① Some principles:

- ① He laid emphasis on the development of theories for each and every concept of economics.
  - ② Jevons also mentioned about the variety of human need and accordingly the consumption behaviour.
  - ③ He laid emphasis on the analysis of economic policies.
  - ④ He explained to replace laissez-faire policies with respect to theories, etc.
- ② Utility:- The abstract quality of every commodity to satisfy the variety in human needs is known as utility. He explained

about 3 kinds of utility —

(a) Absolute utility

(b) Prospective utility

(c) Potential utility

Again he mentioned about three dimensions of utility —

(a) Quantity

(b) Duration

(c) Degree

(3) Value :- Initially he criticized the labour theory of value and the cost of production theory of value. According to Jevons, the future utility determines the value of any commodity.

(4) Theory of rent :- Regarding rent, he did not mention anything clearly. Even, he accepted the classical theory of rent. According to him, rent arises from the difference of fertility in soil.

(5) Theory of capital :- Jevons explained that capital is necessary to purchase tools and machinery have direct link with the growth of a country. ~~Here~~ here he also mentioned about the time duration for capital formation.

⑤ Sun Spot theory :- This is one of the most important contributions of Jevons. Due to recent change in the climatic situation, flexibility arises in the agricultural production and productivity. Regional production and productivities have interlinked with the world as a whole similar to this flexibility in climatic situation Jevons also developed his theorem 'Sun Spot'. According to this theorem, sun also have some spots in its surface. Due to frequent recurrence of sun spots, agricultural production and productivity becomes flexible. Development and underdevelopment of an agricultural base economy, according to Jevons is based on the depth of sun spots. Sun spots occur in each and every 10 years according to Jevons.