

Econ 409
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Study Questions 1

A. Definitions and Concepts:

Please find out the definitions given in the textbook for the following terms and concepts.

1. The principle of equivalence
2. Capitalist firm
3. Competence
4. Ability
5. Labour action
6. Labour services
7. 'Capital fetishism'

B. Essay Questions

1. As a household your family (F) needs the wash-basin to be repaired. However you do not know the details regarding the repair job. You ask a plumber (B) to handle the problem. There is another agent, call her an assistant labourer (L). What kinds of contracts can be made between B and L?

According to each contract type, what would be the 'object of transaction'? At which time and how the 'earning of the L' is decided? Who controls and decides operations necessary for the job? If the principle of equivalence holds, in which contract can B extract surplus value and hence profit (Hint: see Table 1.1, page 8)

2. Why is the labor process in a capitalist firm always a contested terrain; meaning workers and bosses might be in conflict at all times?

3. What do we sell when we sell our 'labor'?