Economics 708 Prof. David Kotz
Political Economy I Fall, 2014

Questions for Section 3C: Surplus Value

1. In what ways is the circuit C-M-C different from M-C-M'?

2. What is meant by "capital" in Marxist theory?

3. What is the difference between labor and labor-power? Why is it problematic to refer to the "value of labor?"

4. What determines the value of labor-power?

5. In what ways is labor-power different from normal commodities?

6. In what ways is the character of the capital-labor relation different in the realm of production from its character in the realm of exchange?

7. How can the capitalist appropriate surplus value from the worker if the capitalist pays for labor-power at its full value?

8. What are the underlying determinants of the existence of surplus value in capitalism?

9. Explain why the following statement is a superficial explanation of the origin of surplus value: "Surplus value is appropriated by the capitalist because the value of a day's labor-power is less than the value created by a day's labor."

10. What factors determine the length of the workday? The living standard of the working class? The productivity of labor?

11. Explain the difference between the following two dualities: 1) circulating vs. fixed capital; 2) variable vs. constant capital.

12. Explain why the value of the means of production used up is <u>transferred</u> to the final commodity while the value of the labor-power disappears in production and is "replaced" by new value.

13. Why would it be wrong to say that the workday is divided into 3 parts: 1) a part during which the value of labor-power is replaced; 2) a part during which the value of the means of production used up is replaced; 3) a part during which surplus value is created?

14. Since the rate of exploitation (e) and the rate of surplus value (s') are numerically equal, are they identical concepts?

15. What are the underlying determinants of the rate of surplus value?

16. How does class struggle affect the rate of surplus value?

17. Why does Marxist theory claim that surplus value originates only in production?

18. How is the rate of profit defined in Marxist theory? What simplifying assumptions are made in that definition?