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## Money, Uncertainty and Time (Routledge International Studies in Money and Banking)

*Giuseppe Fontana*

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**Giuseppe Fontana : Money, Uncertainty and Time (Routledge International Studies in Money and Banking)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Money, Uncertainty and Time (Routledge International Studies in Money and Banking):

2 of 3 people found the following review helpful. Ramsey got it all wrong in 1922 and again in 1926;Fontana,who builds on Ramsey,also gets it wrongBy Michael Emmett BradyFontana could have put out a path breaking book on Keynes's highly original approach to probability which includes mathematical probability as a special case.Unfortunately,instead of reading what Keynes wrote in the A Treatise on Probability(TP;1921)and basing his discussion on Keynes's work,Fontana bases his book on the wild and bizarre claims made by Frank Ramsey in book reviews of Keynes's book , published in 1922 and 1926, about Keynes's supposedly mysterious,strange,unfathomable non numerical probabilities.Ramsey's claim was that Keynes had a theory of probability where the vast majority of probabilities did not make use of any numbers.The best that could be done,and this only on some occasions ,was to use an ordinal approach (some of the time).Indeed,Keynes's theory would certainly be worthless most of the time if this is indeed what Keynes's theory was about.Fortunately,Ramsey got it all wrong both times.Keynes's non numerical probabilities are intervals that require TWO numbers,not one.Non numerical means " not by one numeral alone ".Keynes's interval estimate approach to probability involves the use of upper and lower bounds or limits.Keynes developed this approach,based on the work of George Boole in chapters 16-21 of his 1854 book , The Laws of Thought, in chapters 3,5,10,15,16,17,20,22,26 and 29 of the A Treatise on Probability.Keynes made it very clear that he accepted Ramsey's system only in the very special case where the mathematical laws of the probability calculus held.These laws,called the addition and multiplication laws,require that all probabilities are additive and linear.Keynes recognized that the general case of probability ,as opposed to purely mathematical probability,involved non additivity and non linearity.Keynes conceded nothing to Ramsey since Keynes had never disputed the fact that one could come up with single precise,exact,definite number answers if probabilities took the special form of purely mathematical probabilities that were additive and linear. Consider Fontana's bizarre acceptance of Ramsey's bizarre claims : " Ramsey had criticised Keynes for defending the view that probabilities can be numerically incalculable or incomparable ( in fact,interval estimates ARE numerically incalculable or incomparable if there is any overlap in the intervals.However,they can be analyzed but NOT by the addition and multiplication laws-author's insert)...On this point,then,Keynes had to agree with Ramsey that probabilities are always numerically measurable... Keynes had to concede that A Treatise on Probability was mainly a study in formal logic,and for this reason the case for incalculable or incomparable probabilities was not justified."(Fontana,2009,p.52;see also p.32 as well as the entire discussion on pp.30-56 ) .All of Fontana's claims are false.Keynes NEVER claimed that there are purely mathematical probabilities that do not satisfy the laws of the probability calculus.Fontana has been developing this faulty view of Keynes's logical theory of probability for a number of years with his sidekick at the University of Leeds, Bill Gerrard.Their general view is essentially that of Gay Meeks, a fundamentalist,Post Keynesian who read only chapter 3 of the A Treatise on Probability .She came up with the truly wild idea in a paper in 1976 that Keynes had a theory of probability that rarely used any numerals or numbers.Keynes's theory of probability is built on interval estimates as the general case.Meeks's and Fontana's claims are based on their misreading of chapter 3 of the TP.This was also Ramsey's error. It is simply a myth that Keynes ,whose interval estimate approach to probability has been demonstrated by LeHigh University mathematician Theodore Hailperin to represent the general case,with mathematical probability being the special case where the upper and lower bounds are identical,conceded anything to Ramsey. Fontana's exposition is based on claims about Keynes which are simply false.Many of his conclusions could have been demonstrated to be correct had he understood what Keynes was doing technically in the TP .None of his conclusions follow in this book from anything that Keynes wrote in his life.

This excellent new book from one of the brightest young economists, Giuseppe Fontana, involves a compendium of issues surrounding uncertainty, money and time. Fontana shines a post Keynesian light onto statements and claims made by well-known neo-classical authors and as such leaves readers with an interesting and informative book to be read and re-read by all those scholars and students involved with monetary economics.

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