

## **Abstract**

The objective of this thesis is to provide an overview of the development of the theory of capital until 1950's. We identify the main questions that are to be answered in the theory of capital and then recall the respective opinions of several well-known economists, including Adam Smith, Eugene von Böhm-Bawerk, Friedrich A. von Hayek and Joan Robinson. Main focus of our thesis is on the role of capital in production. We discuss the importance of time factor in capital theories. To illustrate the possible employment of time in the theory of production, we present the concepts of roundaboutness and production period, which are typical for the Austrian economic school. Three capital controversies are described to show the contrast between various theories of capital and to suggest the implications of their disaccord for the whole economic theory.