

List of exam topics – “History of Economics” course

Exam questions will be based on the material covered in my presentation slides published on course webpage. There will be no questions based on your presentations given on the basis of course readings.

List of topics from which exam questions will be developed (you will be asked to answer 5 out of 10 questions in the exam):

- 1) Main assumptions and postulates of the mercantilist school
- 2) What was wealth of nations according to each of the two generations (“early” and “later”) of mercantilist writers?
- 3) Why mercantilists advocated the doctrine of the positive balance of trade?
- 4) Describe David Hume’s price-specie flow mechanism and explain how it relates to the mercantilist economic policy
- 5) Describe the assumptions, the argumentation, and conclusions behind the Adam Smith’s invisible hand metaphor
- 6) What was the attitude of Adam Smith to laissez-faire economic policy? Did he see any role for government in matters of economic policy?
- 7) Discuss the determinants of economic growth according to Adam Smith
- 8) Present Adam Smith’s two theories of exchange value and show their relative advantages and drawbacks
- 9) State the assumptions and the argument made by Thomas Malthus in his population principle. What are the consequences of this principle for the policy of increasing average wages and why?
- 10) Describe David Ricardo’s theory of land rent. State the assumptions of the theory and show what are the implications of the theory for the distribution of income, market prices and theory of exchange value.
- 11) How David Ricardo accounted for the problem of capital in his labour theory of exchange value? Is his solution correct?
- 12) Present David Ricardo’s theory of distribution by stating his assumption, describing the argumentation, and explaining the prediction of the coming of stationary state
- 13) What is Say’s Law and how Thomas Malthus wanted to show that the Law is incorrect
- 14) How is utilitarianism defined and what are the major theoretical and practical problems associated with applying utilitarianism in matters of economic policy
- 15) What was the attitude of John Stuart Mill towards socialism? How did he evaluate prospects for human well-being in the stationary state?
- 16) Discuss shortly 5 general exceptions to the laissez-faire economic policy advocated by John Stuart Mill
- 17) Present briefly Karl Marx’s theory of historical materialism. What are the relationships between the 3 main concepts of the theory? What is the main prediction of the theory?
- 18) Why workers are exploited under capitalism according to Karl Marx? Define the surplus value concept and use it to explain Marxian exploitation claim.
- 19) Describe shortly what where the phenomena of alienation and commodity fetishism according to Karl Marx
- 20) List the 5 laws of motion of capitalism according to Karl Marx and explain them shortly
- 21) Explain briefly the marginalist theory of exchange value
- 22) Show how John Bates Clark has used marginal productivity theory of distribution to argue against Karl Marx’s charge of workers’ exploitation under capitalism
- 23) Discuss how Alfred Marshall reconciled the classical and the marginalist theories of exchange value
- 24) Describe the idea of general equilibrium as proposed by Leon Walras, his contributions to the development of the theory and the research questions that he posed in this area
- 25) Explain how Vilfredo Pareto linked the general equilibrium theory with welfare economics. Define the optimality criterion named after Pareto
- 26) Thorstein Veblen criticized neoclassical economics for at least 4 reasons. Discuss briefly these criticisms.
- 27) What are institutions according to Thorstein Veblen and what is their role in economic development? How the crisis between captains of industry and the rest of society is going to be resolved in capitalism?
- 28) What is the invention/innovation distinction according to Joseph Schumpeter? Why he thought that the economic growth will stop in mature capitalism?
- 29) Define the principle of effective demand as postulated by John Maynard Keynes. What factors are responsible according to Keynes for decreases in effective demand that lead to deep and long-lasting recessions?
- 30) John Maynard Keynes suggested that in two theoretical cases there is no automatic tendency for market forces to return to full employment in recessions. Explain these two cases