

ECS3705

October/November 2014

HISTORY OF ECONOMIC THOUGHT

Duration 2 Hours

100 Marks

EXAMINERS :
FIRST
SECOND
EXTERNAL

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Closed book examination.

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This paper consists of 24 pages including 5 pages for rough work (pp 20 to 24) plus the special front page

STUDENT NUMBER									

This paper consists of sections A and B, both of which are compulsory

SECTION A

Briefly explain ALL of the following ten concepts or ideas. Each concept/idea carries 5 marks. A total of 50 marks can thus be earned in this section.

1 "Fear of goods" according to the mercantilists

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SECTION B

Answer any **TWO** of the following **THREE** questions. Each question carries 25 marks. A total of 50 marks can thus be earned in this section.

- 1 Write an essay on the classical labour theory of value, in which you pay attention to at least the following aspects
- The main logical features of the theory
 - The role of Smith's struggles with the water-diamond paradox
 - How Smith's, Ricardo's and Marx's versions of the theory differ
 - The unrealistic assumptions of the theory
 - How Smith, Ricardo and Marx sought to overcome these unrealistic assumptions and the success of their attempts

You are free to discuss these aspects in the order that you feel best helps you to answer the question.

- 2 Write an essay on institutional economics in which you pay attention to at least the following aspects
- The major tenets of institutionalism and its critique of neoclassical economics
 - Veblen's economics, with particular reference to his ideas about the leisure class, the instinct for workmanship, the soviet of technicians, and the role of credit in the business cycle
 - Galbraith's economics, with particular reference to his ideas about the dependence effect and the theory of the firm.
 - The extent to which institutional economics offers a credible alternative to mainstream, mathematically-oriented economics?

You are free to discuss these aspects in the order that you feel best helps you to answer the question

- 3 Write an essay on Keynesian economics, in which you pay attention to at least the following aspects
- The major tenets of Keynes's economics.
 - The political economy of Keynes's ideas
 - The main features of New Keynesian economics
 - The main features of post-Keynesian economics
 - The degree to which, in your estimation, post-Keynesians and New Keynesians have carried forward the most important elements of Keynes's message?

You are free to discuss these aspects in the order that you feel best helps you to answer the question

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