

ECS306J

May/June 2009

HISTORY OF ECONOMIC THOUGHT (ECONOMICS 306)

Duration 2 Hours

100 Marks

EXAMINERS

FIRST

SECOND

EXTERNAL

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This paper consists of 1 page

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

SECTION A

Briefly (not more than a couple of sentences) explain ALL of the following EIGHT concepts or ideas, each of which carries 5 marks. A total of 40 marks can thus be earned in this section

- 1 The fear of goods
- 2 The division of labour
- 3 Why, according to Ricardo, price determines rent rather than the other way around
- 4 Why, according to Marx, capitalists exploit labourers
- 5 Competition *versus* cooperation, and the pros and cons of both
- 6 Inductive, historical method *versus* abstract, deductive method
- 7 Partial equilibrium analysis *versus* general equilibrium analysis
- 8 The long-run Phillips curve

SECTION B:

Answer any TWO of the following THREE questions, each of which carries 30 marks. A total of 60 marks can thus be earned in this section

- 1 Explain the classical labour theory of value. Indicate how Smith's, Ricardo's and Marx's versions of the theory differ. Assess the merits of the theory by indicating the unrealistic assumptions involved.
- 2 Write an essay on the economics of John Maynard Keynes. To what extent have the post-Keynesians and New Keynesians carried forward the most important elements of Keynes's message?
- 3 Write an essay on the institutional school of economics, whereby you refer to the contributions by Veblen and Galbraith. To what extent does institutional economics offer a credible alternative to mainstream, mathematically-oriented economics?