

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 in which you compare and contrast the classical school to the marginalist/neoclassical school's analytical frameworks, regarding the problems of value and price formation. In your discussion, pay attention to the following aspects:
- the explanation of value according to the classical economists including Adam Smith and David Ricardo,
 - the explanation of value according to the marginalist and neoclassical schools,
 - the mathematization of theory by the marginalist and neoclassical schools,
 - the similarities between the classical school and the neoclassical/marginalist school.

You can discuss these aspects in any order and they need not be the only ones to which you refer.

- 2 Write an essay on the theoretical standpoints and differences between the economics of John Maynard Keynes, the post-Keynesians, and the New Keynesians. In your discussion, explain the following aspects in detail:
- the major tenets of the Keynesian school,
 - the validity of the Keynesian school in its time,
 - criticisms of the Keynesian school,
 - the major tenets of the post-Keynesian school,
 - the elements of the Keynesian school that were carried forward by the post-Keynesians,
 - the major tenets of the New Keynesian school,
 - the extent to which the New Keynesian school can be regarded as being 'Keynesian',
 - criticism of Keynes and Keynesianism.

You can discuss these aspects in any order and they need not be the only ones to which you refer.

- 3 Write an essay on the Chicago school, in which you pay particular attention to the following aspects:
- the Chicago school's reaction against the theoretical and political underpinnings of Keynesianism,
 - Friedman's monetary rule and his restatement of the quantity theory of money,
 - Friedman's long-run Phillips curve and adaptive expectations,
 - Lucas's long-run supply curve and rational expectations,
 - Relevance of Say's law to Lucas's model.

You can discuss these aspects in any order and they need not be the only ones to which you refer.

[TURN OVER]

ROUGH WORK

[TURN OVER]

ROUGH WORK

