

ECS3705

May/June 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 25 pages including 5 pages for rough work (pp 21 to 25) 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, ideas, propositions or arguments Each question carries 5 marks A total of 50 marks can thus be earned in this section

1 The relevance of mercantilism in its time

- 10 Keynes' critique of the classical/neoclassical/Chicago view that a reduction in the nominal wage rate (the price of labour) increases employment and output, and how that critique may need to be qualified

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 What constitutes wealth and what should therefore be regarded as productive and unproductive labour in the eyes of
- (a) mercantilists
 - (b) physiocrats
 - (c) Smith, and
 - (d) Marx?

Indicate what you consider to be the strong and the weak points in each of their arguments

- 2 Explain and critically discuss Marx's Law of Motion of Capitalism, according to which capitalism inevitably destroys itself. Explain why capitalism has not yet destroyed itself, and why this may still happen for reasons advanced by Marx.
- 3 Write an essay on the Chicago school of economics with particular reference to Friedman and Lucas.

ROUGH WORK

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