

ECS306J

October/November 2009

HISTORY OF ECONOMIC THOUGHT (ECONOMICS 306)

Duration 2 Hours

100 Marks

EXAMINERS
FIRST
SECOND
EXTERNAL

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This paper consists of 28 pages including 5 pages for rough work (pp 24 to 28) plus the special front page

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STUDENT NUMBER									

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 "It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their own interest "

[TURN OVER]

7 Quasi-rent according to Marshall

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 Write an essay on the impact of mechanisation (the use of machinery in production) on the interest of workers – their real wage and employment levels. In addition to the views of the Physiocrats, Smith, Ricardo and Marx, give your own reasoned opinion on the matter. What can the government do to raise employment and real wage levels for semi- and unskilled workers in modern-day South Africa, and what are the possible negative side-effects of your suggested policies?
- 2 Write an essay on Marx's *law of motion of capitalism*. To what extent has the historical record borne out Marx's predictions?
- 3 Write an essay on the Chicago school of economics with particular reference to Friedman and Lucas.

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[TURN OVER]

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ROUGH WORK

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