

# Written Exam at the Department of Economics winter 2025-26

## History of Economic Thought

### Final Exam

16.12.2025

(3-hour written aids allowed)

Answers only in English.

**This exam question consists of 2 pages in total**

#### **Falling ill during the exam**

If you fall ill during an examination at South Campus, you must:

- Press that you will leave the exam due to illness.
- leave the examination.
- contact your GP and submit a medical report to the Faculty of Social Sciences no later than five (5) days from the date of the exam.

#### **Be careful not to cheat at exams!**

You cheat at an exam, if during the exam, you:

- Make use of exam aids that are not allowed
- Communicate with or otherwise receive help from other people
- Copy other people's texts without making use of quotation marks and source referencing, so that it may appear to be your own text
- Use the ideas or thoughts of others without making use of source referencing, so it may appear to be your own idea or your thoughts
- Or if you otherwise violate the rules that apply to the exam

## Ordinary Exam History of Economic Thought

1. In his work "The General Theory of Employment, Interest, and Money", Keynes introduced the distinction between his theory and that of *the Classics*. Give an explanation of this distinction and its further evolution touching upon the following questions,
  - What should be understood by *the classics* in this context and what were the crucial differences between *classical* (in this sense) and Keynesian theory?
  - Which attempts were made to create a unified macroeconomic theory?
  - What happened to this distinction in the development of macroeconomics in the second half of the 20th century?
2. The demand function is by now a standard ingredient in the theory of prices. Give a historical survey of the demand function from its earliest appearance to the present day, including
  - its interpretation by different authors,
  - its role in welfare considerations,
  - its connection with utility.
3. The concept of *capital* has played a key role in economic theory from Adam Smith to the present day. Give a survey of the treatment of capital by classical, neoclassical, and 20th century economic writers. In the course of this essay, comment on the following points:
  - The role of capital in the distribution of income in society,
  - The nature of profit and its connection with capital.