

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

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- 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.

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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.