

Written Exam at the Department of Economics winter 2024-25

History of Economic Thought

Final Exam

17.12.2024

(3-hour written aids allowed/no aids allowed)

Answers only in English.

This exam question consists of 2 pages in total

Falling ill during the exam

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- 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.

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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

1. The quantity theory of money has been a fundamental part of economic theory since the mercantilist era. Describe its formulation and its use by:

- (a) mercantilist and classical economists,
- (b) neoclassical economists,
- (c) Keynes and his followers.

2. The theory of prices based on demand and supply is a standard ingredient of contemporary microeconomics. Give a survey of the treatment of demand and supply by economic theorists from the classical period to recent time. In the course of the survey, you should consider the following points:

- (a) When was demand formulated as we know it today, and how did the different authors consider the connection between utility and demand?
- (b) When did the supply-and-demand diagrams appear in economic writings? Give an assessment of the reasons why the notion of a supply curve came rather late and was not used by all the marginalists.

3. For many authors, classical as well as neoclassical, the theories of income distribution and of production were closely connected.

- (a) Give an explanation of the approach to income distribution of the classical economists and its relation to agricultural production.
- (b) How did the approach to the distribution of income change with the appearance of the marginalists?

The curriculum textbook, "R.B.Ekelund, R.F.Hébert, A History of Economic Theory & Method (6th ed.)" is available on the computers at the exam.