

## Written Exam Economics winter 2021-22

### History of Economic Thought

Written assignment, 72 hours individual take-home exam  
17.12.2021 – 6.1.2022

This exam question consists of 2 pages in total

Answers only in English.

**A take-home exam paper cannot exceed 10 pages – and one page is defined as 2400 keystrokes**

***The paper must be uploaded as one PDF document. The PDF document must be named with exam number only (e.g. '1234.pdf') and uploaded to Digital Exam.***

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

Exam cheating is for example if you:

- 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
- Reuse parts of a written paper that you have previously submitted and for which you have received a pass grade without making use of quotation marks or source references (self-plagiarism)
- Receive help from others in contrary to the rules laid down in part 4.12 of the Faculty of Social Science's common part of the curriculum on cooperation/sparring

You can read more about the rules on exam cheating on your Study Site and in part 4.12 of the Faculty of Social Science's common part of the curriculum.

**Exam cheating is always sanctioned by a written warning and expulsion from the exam in question. In most cases, the student will also be expelled from the University for one semester.**

**1.** Give a survey of the treatment of public goods (goods which are used simultaneously by all individuals in society) by classical writers (Smith, Ricardo, Mill) and marginalists (including Marshall and Wicksell), answering also the following specific questions:

- (a) How has the concept of consumers' surplus been used in this connection?
- (b) What (if anything) did the authors suggest as to how society should decide upon the supply of public goods?

**2.** With background in the article,

*Mata, M.E. (2007), Cardinal versus ordinal utility: António Horta Osório's contribution, Journal of the History of Economic Thought, 29:4, 465-479.*

(a copy can be found in Absalon), give a critical survey of the use of utility functions in the theory of markets and prices, providing answers to the following:

- (a) When was the notion of a utility function introduced in economic theory?
- (b) Discuss whether cardinal rather than ordinal utility was essential for the theory put forward in each of the three marginalist traditions, the English, the Austrian and the Walrasian.
- (c) Give a critical assessment of the contribution of Osório based both on the article and your general knowledge.

**3.** Overproduction as a regular phenomenon has been discussed and debated by economic thinkers from the classical era and onwards.

- (a) Give a survey of the main argumentation for or against the occurrence of overproduction in Malthus, Ricardo, Mill and Marx.
- (b) Several classical authors have suggested that international trade might play a role in the alleviation of economic crises caused by overproduction. Give a commented reference of their reasoning.