

Written Exam at the Department of Economics winter 2025-26

## **History of Economic Thought**

Re-Exam

10.2.2026

(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

## Re-Exam History of Economic Thought

1. Give a historical survey of the notion of *profit*, how it has been understood and applied by economic authors from the 18th to the 20th century, and give an indication of the policy implications of the different approaches.

2. The notion of self-interest has been used by economic authors in many centuries when dealing with the objectives of economic agents. Give a brief survey of the way that self-interest and its formulations using utility have been used in economic theory, mentioning among other things the following points:

- the concept of utility as introduced by Bentham,
- the use of utility in the theory of consumer demand,
- the connection between utility and welfare.

3. Production under constant returns to scale has been implicitly assumed by classical economic theorists and has also been a fundamental assumption for the marginalists, but increasing returns to scale was recognized and discussed by classical as well as neoclassical economists.

Explain why increasing returns to scale presented a challenge to the theory of prices as determined by supply and demand.

How did the economic authors before and after the marginalist revolution deal with pricing under increasing returns to scale?