

Written Exam Economics winter 2022-23

History of Economic Thought

10.2.2023 – 24.2.2023

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 in the Faculty of Social Science's common part of the curriculum

You can read more about the rules on exam cheating on your Study Site and in 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. Adam Smith introduced the notion of division of labour into economic theory, and many subsequent authors have dealt with increasing returns to scale in production.

- (a) Discuss the relation of the two concepts 'division of labour' and 'increasing returns to scale'. Are they identical, and if not, what is the difference?
- (b) Explain why increasing returns to scale turned out to be a problem for the marginalist theory of income distribution, and give a brief survey of the ways in which the authors tried to resolve this problem

2. Give a critical assessment of the article (in Absalon):

Nisticò, S. (2021), Some notes on Gossen's "submerged and forgotten" approach to consumption and time, The European Journal of History of Economic Thought 28, 635 – 653,

In particular,

- (i) Give an assessment of the contributions of Gossen to the development of marginal utility theory, and
- (ii) Discuss the role of time in Gossen's work.
- (iii) Can Gossen be considered as a forerunner of other schools in economic theory of today?

3. The quantity theory of money can be traced back to the early economic writers, and in some way or another it has survived to our days.

- (a) Give a brief account of the way in which the quantity theory was treated in the marginalist or neoclassical tradition.
- (b) What happened to the quantity theory in the Keynesian revolution, and in which form did it return in the last decades of the 20th century?