

Voluntary Assignment 1

To be delivered at latest October 13 at 12.00

This is the first of two voluntary assignments. The format corresponds roughly to what will appear at exam, so you may try to answer it in 3 hours and without using AI.

Send your answers in pdf format to: hans.keiding@econ.ku.dk

1. Say's law is often formulated as saying that supply creates its own demand. Give a brief explanation of the context and meaning of Say's writings on this subject, and discuss whether the viewpoint expressed by Say were new or expressed earlier by other authors.

How was Say's law received by his contemporaries, the economic writers in the first half of the nineteenth century?

2. Give a critical survey of the concept of decreasing returns to scale as it can be inferred from the writings of economic thinkers before and including J.S.Mill.

Discuss the policy implications proposed by the authors whenever relevant.

3. Describe and compare the approaches to a theory of international trade with special emphasis on trade policies as they appear in the writings of the mercantilists and those of the classical authors Adam Smith, Malthus, Ricardo and Mill.

Describe differences in the attitude towards tariffs of these authors. Could the differences be explained by theoretical viewpoints only or were there other aspects involved?