

**UNIVERSITY OF CAPE COAST**  
**DEPARTMENT OF ECONOMICS**

**END OF SECOND SEMESTER EXAMINATION, 2013/2014 ACADEMIC YEAR**

**ECO 402: HISTORY OF ECONOMIC THOUGHT**

**DATE:**

**TIME ALLOWED: 2HRS**

***INSTRUCTION: In all, you are expected to answer all the questions in section A and any 2 questions from section B.***

***Credit will be given for clarity and logical presentation of facts.***

***Do not write anything on the question paper.***

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**SECTION A: Answer all questions in this section (Knowing the scholars in economics)**

1. A chemist, a physicist and an economist are stranded on an island, with nothing to eat. They are dying of starvation. A can of baked beans washes ashore. The chemist says, "I will build a fire and heat the can until it bursts open." The physicist says "I will calculate the trajectory of the contents and put leaves on the ground where the beans will land so we can collect them all". The economist says, "Let's assume that we have a can-opener." Whose joke? **[2 marks]**
2. In 1759, the Marquis de Mirabeau (a French aristocrat and member of the Physiocratic school of economics) wrote in reference to a colleague's work that: "There have been, since the world began, three great inventions. The first is the invention of writing. The second is the invention of money. The third is the Table of the Economy. This last is the great discovery of our age." Who made the "great discovery"? **[2 marks]**
3. (a) In which country was Karl Marx born? **[1 mark]**  
(b) Where did he spend most of his life? **[1 mark]**
4. Who was the Swedish economist, jailed for blasphemy in 1908? **[2 marks]**
5. Of the following scholars (Milton Friedman, W. S. Jevons, J. M. Keynes and Ernesto "Che" Guevara), who was employed in a Mint or was a Governor of a Central Bank? **[2 marks]**
6. Who said "If all economists were laid end to end, they would not reach a conclusion" and which economist prompted the remark? **[2 marks]**
7. Looking through the lenses of Adams Smith, state three factors that could account for a fall in the rate of profit. **[3 marks]**
8. State five policies that can increase a country's treasure according to Thomas Mun. **[5 marks]**

**Section B: Essay – Answer ANY TWO questions [All questions carry equal marks]**

9. Mercantilist approach to nation building can be described as exploitative and aggressive. Do you agree with this opinion? Defend your position. **[20 marks]**
10. Discuss Adam Smith's ideas on the following economic concepts:
- a. Taxation **[5 marks]**
  - b. Value **[5 marks]**
  - c. Division of labour **[5 marks]**
  - d. Wage **[5 marks]**
11. Identify and discuss contributions of any one of the following economic historians **[20 marks]**
- a. Antonio Serra
  - b. Carl Menger
  - c. Arthur Cecil Pigou
  - d. Milton Friedman
12. Compare and contrast the views of **either** (a) Smith and Malthus **or** (b) Smith and Marx on the question of whether economic growth can improve the material well-being of the working population. **[20 marks]**