



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF ECONOMICS AND FINANCE

BACHELOR OF ECONOMICS

EET 402: HISTORY OF ECONOMIC THOUGHT

DATE: 6/12/2019

TIME: 2.00-4.00 PM

INSTRUCTIONS:

- (i) Answer question one (Compulsory) and any other two questions**
- (ii) Show your working clearly**

QUESTION ONE (30 MARKS) (Compulsory)

- a) Briefly explain the assumptions underlying the neoclassical theory. (10 marks)
- b) Briefly explain the different approaches adopted in the study of history of economics (10 marks)
- c) With the aid of a diagram explain the mechanism of the classical model. (10 marks)

QUESTION TWO (20 MARKS)

- a) Clearly explain the Ricardo's theories of wages and profits (10 marks)
- b) Briefly discuss the main contributions of John Stuart Mill economic thought. (10 marks)

QUESTION THREE (20 MARKS)

- a) Discuss the assumptions of say's law and their application in modern economics (10 marks)
- b) Briefly explain the Plato's economic ideas in Greek economic thought. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss the main assumptions of Adam Smith in regard to the wealth of nations. (10 marks)
- b) Briefly explain the criticism of Thomas Robert Malthus population model (10 marks)

QUESTION FIVE (20 MARKS)

- a) Briefly discuss the main characteristics of monetary theory and its contribution to modern economics. (10 marks)
- b) Briefly discuss the new classical economics school of thought and its diagnostic sources of fluctuations in growth. (10 marks)