



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF ECONOMICS AND STATISTICS

BACHELOR OF ECONOMICS AND FINANCE

BACHELOR OF ECONOMICS

BACHELOR OF COMMERCE

BACHELOR OF ARTS

EET 402: HISTORY OF ECONOMIC THOUGHT

DATE: 18/8/2021

TIME: 11.00-1.00 PM

INSTRUCTIONS:

1. Answer question ONE and any other TWO questions
2. Question ONE Carries a total of 30 marks, while all other questions carry 20 marks each
3. Being in possession of mobile phone and/or unauthorized electronic gadget constitutes an exam irregularity.
4. Being in possession of written materials, in exam room, in any form constitutes an exam irregularity.
5. Do not write on question paper

QUESTION ONE (30 MARKS)

- a) Though Plato, Aquinas and Mandeville are well known in the history of Western thought they are usually not identified as ‘economists. Explain the topics they considered, and the questions they posed, of enduring significance for the history of economic thought? (8 marks)
- b) Explain the three approaches adopted in the study of history of economics (6 marks)
- c) Briefly analyze the new classical economics school of thought and its diagnostic sources of fluctuations in growth. (8 marks)
- d) Explain the assumptions of say’s law and their application in modern economics (8 marks)

QUESTION TWO (20 MARKS)

- a) Discuss the main assumptions of Adam Smith in regard to the wealth of nations. (8 marks)
- b) Briefly explain the criticism of Thomas Robert Malthus population model (6 marks)
- c) Briefly discuss the main characteristics of monetary theory and its contribution to modern economics (6 marks)

QUESTION THREE (20 MARKS)

- a) With the aid of diagrams clearly explain the Ricardo's theories of wages and profits (6 marks)
- b) Distinguish between conservatism vs. liberal views in regard to political and economic issues. (8marks)
- c) What are some of the central issues in the interpretation of Keynes that divide the Post-Keynesians from the American Keynesians who built on the Hansen/Samuelson/Hicks exposition of The General Theory? (6marks)

QUESTION FOUR (20 MARKS)

- a) Clearly explain the factors that were responsible for emergence of mercantilism theory (8 marks)
- b) Explain the differences between communism and socialism philosophy (6 marks)
- c) Explain the assumptions classical economics and their application in modern economics (6 marks)

QUESTION FIVE (20 MARKS)

- a) "Surplus" and "Primitive Accumulation" are important words in Marxian economics. How have the following treated the concepts represented by these words;
 - i. Classical economics (4 marks)
 - ii. Neoclassical economics (4 marks)
 - iii. Institutional economics (4 marks)
- b) Why did Alfred Marshall see a potential conflict between the use of the assumption of perfect competition in the analysis of a capitalist economy, and the historical importance of economies of scale in the development of the capitalistic economy? (8 marks)