

Economics 493/593
Fall 2008
Midterm 2

Answer FIVE of the following questions (20 points each):

1. (a) According to Adam Smith, what is the difference between the market price and the natural price? (b) Why did Adam Smith believe wages would differ across occupations?
2. Explain Malthus's theory of gluts. What policy conclusions did he draw from the analysis?
3. (a) How did Bentham's utilitarianism lead him to egalitarian reform proposals? Why didn't he advocate complete equality of income? (b) How do Mill's views on utility differ from Bentham's?
4. (a) Define Marxian Socialism and explain the six stages of production. (b) What were Marx's views on the writings of Smith, Ricardo, Mill, Bentham, Say, and Senior? Why was he critical of much of what they wrote?
5. Explain Marx's theory of exploitation.
6. (a) Discuss Nassau William Senior's beliefs concerning positive and normative economics. (b) Discuss Nassau William Senior's views on the poor laws and how they changed over time. What policies did he help to enact as a member of the Poor Law Inquiry Commission?