

Economics 493/593
Fall 2008
Final Exam

Answer SIX of the following questions (25 points each):

1. (a) Discuss the ideas and contributions of Francois Quesnay. (b) Explain Quesnay's Tableau Economique. Why is the table important in the history of economic thought?
2. According to the Mercantilists, what is the source of the wealth of nations? Why do they believe this? What does Adam Smith argue in response?
3. Explain Malthus's theory of gluts. What policy conclusions did he draw from the analysis?
4. (a) According to J.B. Say, what was the fourth factor of production? How did the addition of a fourth factor of production remove potential sources of class conflict from classical theory? (b) What is Say's law and what are its implications? Does Keynes agree with Say's law? Explain.
5. (a) Explain Jevons' determination of the length of the working day. (b) Compare and contrast Menger's and Jevon's views on total and marginal utility.
6. Briefly, what is the source of exploitation in Marx's framework? Explain Clark's marginal productivity theory and how it was used to counter Marx's claim that labor is exploited under capitalism.
7. What factors, according to Marshall, cause firms to become more efficient as they grow? What determines whether they are increasing or decreasing cost industries? Why don't decreasing cost industries eventually become monopolized?