

**Economics 493/593**  
**Winter 2010**  
**Midterm Exam**

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

1. Explain Malthus' population theory. What policy implications did Malthus draw from this analysis?
2. (a) Who were the Physiocrats? (b) Explain Quesnay's Tableau Economique. Why is the table important in the history of economic thought?
3. How does hedonism differ from utilitarianism? How did Bentham's utilitarianism lead him to egalitarian reform proposals? Why didn't he advocate complete equality of income?
4. (a) Use a graphical analysis to explain why, as population grows and the demand for corn rises, rents and wages go up, while profit falls. (b) Use this graph to explain Ricardo's view that the economy will end up in a long-run stationary state.
5. (a) Discuss the main features and policies associated with mercantilism. (b) What is the role of the state according to Adam Smith? (c) How are Smith's ideas about the role of the state related to mercantilism?