

FIFTH SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2014

(UG—CCSS)

Core Course—Economics

EC 5B 09—HISTORY OF ECONOMIC THOUGHT

Time : Three Hours

Maximum : 30 Weightage

I. Objective Type Questions. Answer all *twelve* questions :

1 Who among the following was a member of Classical Trinity ?

- (a) Alfred Marshall. (b) J.N. Keynes.
(c) J.B. Say. (d) David Ricardo.

2 Who developed "Tableau Economique" ?

- (a) Physiocrats. (b) Mercantilists.
(c) Monetarists. (d) Keynesians.

3 Who invented Rational Expectation Hypothesis ?

- (a) John Muth. (b) Edward Prescott.
(c) Robert Lucas. (d) Rose Friedman.

4 Who developed the concept of missing women ?

- (a) Jagdish Bhagwati. (b) Amartya Sen.
(c) Raja Krishna. (d) Dadabhai Naoroji.

5 ——— shows "too much money chased by too few goods".

- (a) Deflation. (b) Disinflation.
(c) Reflation. (d) Inflation.

6 "——— was grafted on Classical trunk".

- (a) Marxism. (b) Socialism.
(c) Gandhism. (d) Keynesianism.

7 ——— wrote the book "Economic Theory in Retrospect".

- (a) J.M. Keynes. (b) J.R. Hicks.
(c) Mark Blaug. (d) William J. Baumol.

Turn over

- 8 ——— tells that the quantity demanded of some inferior goods is directly related to their price.
- (a) Giffen paradox. (b) Water Diamond paradox.
(c) St. Petersburg paradox. (d) Veblen effect.
- 9 The economic thought which holds “underemployment equilibrium” as the usual situation of an economy :
- (a) Classical thought. (b) Keynesian thought.
(c) Marxian thought. (d) Mercantilist thought.
- 10 The law which states that the “substitution effect of a price change is always negative” :
- (a) Slutsky’s law. (b) Walras’ law.
(c) Say’s law. (d) Marshall’s law.
- 11 The dynamic force, according to Marx, which paves way for change in social and economic systems :
- (a) Production forces. (b) Relations of production.
(c) Means of production. (d) Mode of production.
- 12 The ancient Indian treatise on “Political economy” written by the minister of Mourays :
- (a) Manusmruthi. (b) Needisastra.
(c) Ashtangahrudaya. (d) Arthasastra.

(12 × ¼ = 3 weightage)

II. Short Answer Type Questions. Answer all *nine* questions :

- 13 What did Marx mean by surplus value ?
- 14 What is free trade policy ?
- 15 State and define any two canons of taxation developed by Adam Smith.
- 16 What is meant by monetarism ?
- 17 What is “water diamond paradox” ?
- 18 By rent what did David Ricardo mean ?
- 19 What did Malthus say on the growth of population and food subsistence ?
- 20 Why did Ricardo call landlords as parasite group in society ?
- 21 What is drain theory ?

(9 × 1 = 9 weightage)

III. Short Essay or Paragraph Questions. (Answer any *five* questions) :

- 22 How did Mercantilists and Physiocrats view trade ?
- 23 Write a short note on Fisher’s Equation of Exchange.

- 24 Distinguish between 'Labour Embodied' and 'Labour Commanded'.
- 25 Briefly explain the Smithian judgment that the 'Mercantilists were silly and misguided thinkers'.
- 26 Explain briefly the Ricardian theory of distribution.
- 27 Explain the circular flow analysis of Physiocrats.
- 28 How did Historical Critics view the universality of economic laws ?

(5 × 2 = 10 weightage)

IV. Essay Questions. (Answer *two* questions) :

- 29 Critically examine the Mercantilist thought and policy.
- 30 "Capitalism carries its own seeds of destruction." Explain how did Marx convince this view ?
- 31 Explain the features of Keynesian economic thought.

(2 × 4 = 8 weightage)