

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF MASTER OF ECONOMICS

MSEC 801: HISTORY OF ECONOMIC THOUGHT

STREAMS: MSC (ECON) Y1S1

TIME: 3 HOURS

DAY/DATE: TUESDAY 13 /07/ 2021

2.30 PM – 4.30 PM

INSTRUCTIONS:

- Answer Question ONE and any other THREE Questions

QUESTION ONE

- (a) “The classical economic school of thought owes a lot of its basic principles to the short-lived school of physiocracy”. Discuss this statement. [8 Marks]
- (b) Discuss the fact that during the formulation of history of economic thought, many Historians interpreted this concept through relativists and absolutists’ approaches. [8 Marks]
- (c) Explain why many economists still believe that the Scholastic economic thought derived from feudalism and mercantilist theory form the merchant capitalism that is experienced in most developed economies today. [8 Marks]
- (d) Distinguish between economic history and history of economic thought. [1 Mark]

QUESTION TWO

- (a) Explain the major ideological comparison between history of natural sciences and that of social sciences. [7 Marks]
- (b) “Political economy is an investigation of the society”. Discuss this statement. [8 Marks]

QUESTION THREE

- (a) Using the Marshallian demand and supply cross, explain how the famous water problem was solved. [7 Marks]
- (b) Economics in the past was a theoretical demand for social organization. Compare and contrast Plato’s view and Smith’s on division of labour. [8 Marks]

QUESTION FOUR

- (a) The beginning of science of economics and economic institutions are traced back to the Hebrew and Jewish times. Discuss the economic ideas of Hebrews. [8 Marks]
- (b) In 1970's monetarists fought head to head with Keynesians. Most economists concluded that the Keynesians won the war but the monetarists won many battles. Discuss the differences that still remained between the two schools of thought. [7 Marks]

QUESTION FIVE

- (a) Economics is a dynamic social interdisciplinary field. Discuss the transitions of classical economics. [8 Marks]
 - (b) Classical economics, especially as directed towards macroeconomics underlie some assumptions. Explain. [7 Marks]
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