



COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

MEC 207 HISTORY OF ECONOMIC THOUGHT

END OF SECOND SEMESTER EXAMINATIONS

APRIL/MAY 2019

LECTURER: MR O MUSHAYABASA

DURATION: 3 HRS

INSTRUCTIONS

Answer any **Four** questions from this Examination

Credit will be awarded for logical, systematic and neat presentations

Question 1

- a) Explain **two** tenets of the **Mercantilists**. (10)
- b) Why did the Mercantilists prefer...
- i) a large population? (5)
 - ii) low wages ? (5)
 - iii) protection of locally manufactured goods? (5)

Question 2

According to **Physiocrats**

- a) explain how revenue circulates among ...
- i) farmers. (5)
 - ii) landlords. (5)
 - iii) manufacturers. (5)
- b) discuss two roles of a government in economic affairs. (10)

Question 3

- a) What are the **two** tenets of the **Classicists**? (10)
- b Evaluate the Classicists' **two** lasting contributions to economics.(8)
- The market demand and supply equations are given by **$Q_d = 400 - 4P$** and **$Q_s = 100 + 2P$** respectively.
- c) Calculate the **equilibrium**
- i) **quantity**. (4)
 - ii) **price**. (3)

Question 4

a) Critically evaluate State Socialism under

i) governance. (5)

ii) means of production. (5)

iii) private property. (5)

b) Evaluate two lasting contributions to economics advocated by the Institutionalists . (10)

Question 5

Explain **five** factors that influence the governments to **intervene** in economic growth and development. (25)