



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR
SECOND YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS & ECONOMICS
BACHELOR OF SCIENCE IN ECONOMICS
BACHELOR OF SCIENCE IN ECONOMICS &
STATISTICS
BACHELOR OF SCIENCE IN FINANCIAL ECONOMICS**

COURSE CODE: ECO 2207

**COURSE TITLE: HISTORY OF ECONOMIC
THOUGHT II**

DATE: 27TH APRIL 2018

TIME: 1100 – 1300 HRS

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **THREE** questions

This paper consists of 2 printed pages. Please turn over.

QUESTION ONE

- (a) What did Keynes think was the primary cause of the Great Depression? **(4mks)**
- (b) Explain the Keynesian claim of two cases arising from under-employment equilibrium. **(6mks)**
- (c) What was the 'neo-classical syntheses? Explain its principle shortcomings. **(7mks)**
- (d) Trade and specialization was more prominent in pre-colonial West Africa than the rest of Sub-Saharan Africa. Discuss the reason for regional differences. **(8mks)**

QUESTION TWO

- (a) Explain Keynes's dissatisfaction with the classical economists. **(4mks)**
- (b) Distinguish between the concept of 'reswitching' and 'reverse capital deepening'. **(4mks)**
- (c) Discuss the Cambridge capital controversy. **(7mks)**

QUESTION THREE

- (a) Discuss the fundamental principles of the three post-Keynesian schools. **(9mks)**
- (b) Discuss the socio-economic impact of the railway. **(6mks)**

QUESTION FOUR

- (a) Contrast Keynesian and Friedman's demand for money. **(6mks)**
- (b) Explain the Keynesian and monetarist effect of changes in money stock on the real sector of the economy. **(6mks)**
- (c) Why is the Philips curve considered as a wrong concept? **(3mks)**

QUESTION FIVE

- (a) Discuss the impact of slave trade in Africa. **(8mks)**
- (b) Explain the effect of monetary expansion in accepting expectations - augmented Philips curve. **(7mks)**

END//