



# **MURANG'A UNIVERSITY COLLEGE**

*(A constituent College of Jomo Kenyatta University of Agriculture and Technology)*

**MAIN CAMPUS**

**SUPPLEMENTARY UNIVERSITY EXAMINATIONS**

**2015/2016 ACADEMIC YEAR**

**FIRST YEAR SECOND SEMESTER EXAMINATIONS**

**FOR THE DEGREE**

**OF**

**BACHELOR OF SCIENCE MATHEMATICS AND ECONOMICS**

**COURSE CODE : BCH 2108**

**COURSE TITLE : HISTORY OF ECONOMIC THOUGHT 1**

**DATE: 18<sup>TH</sup>- 22ND MARCH 2016**

**TIME:**

## **INSTRUCTIONS TO CANDIDATES**

- Question ONE (1) is compulsory
- Answer ANY OTHER TWO questions

MRUC observes ZERO tolerance to examination irregularities

The paper consists of 2 Printed Pages. Please Turn Over

### **Question one**

1 Explain the main arguments of the laissez-faire economy and capitalist rationality necessary conditions for self-regulation to occur. **(15 marks)**

b) Describe the explanation of the economy based on the classical political economy theory **(10 marks)**

### **Question two**

2. The marginalism theory instrumental to the understanding of various contributions to economic theory. Discuss:

a) The theory's core arguments **(11.5 marks)**

b) Weaknesses **(7 marks)**

c) Strengths **(5 marks)**

### **Question three**

a) Trace the roots of the capitalist rationality economic school of thought. **(5.5 marks)**

b) Discuss the main features of laissez-faire economic arrangement **(17 marks)**

### **Question four**

a) Discuss the core arguments of the Austrian theory of capital and interest theory. **(12.5 marks)**

b) Explain the relevancy of the Marshallian summation to the understanding of economic thought. **(10 marks)**