



MURANG'A UNIVERSITY COLLEGE

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

MAIN CAMPUS

ORDINARY 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: 18TH- 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

a) According to the classical school of economic thought, economies should self-regulate. Explain the necessary conditions for self-regulation to occur. **(10 marks)**

b) Identify and explain the main policies pursued under the mercantilist school of economic theory. **(15 marks)**

QUESTION TWO

The theory of classical political economy is instrumental to the understanding of various contributions to economic theory. Explore the main contributions by the following authors to the classical political economic thought.

a) Adam Smith **(10.5 marks)**

b) David Ricardo. **(7 marks)**

c) Thomas Malthus. **(5 marks)**

QUESTION THREE

a) Trace the roots of laissez-faire and the capitalist rationality economic schools of thought. **(5.5 marks)**

b) Discuss the main features of laissez-faire and the capitalist rationality **(17 marks)**

QUESTION FOUR

Although a useful theory, the Austrian theory of capital and interest is without criticisms. Discuss:

a) The core arguments of the theory. **(12.5 marks)**

b) The criticisms of the theory. **(10 marks)**