



MAASAI MARA UNIVERSITY

REGULAR UNIVERSITY EXAMINATIONS

2023/2024 ACADEMIC YEAR

FOURTH YEAR FIRST SEMESTER

SCHOOL OF BUSINESS AND ECONOMICS

COURSE CODE: ECO 2107-1

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

DATE: 7/12/2023

TIME: 1430-1630 HRS

INSTRUCTIONS TO CANDIDATES

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

QUESTION ONE

- a) Define history of economic thought according to four different thinkers and theorist. **(5 marks)**
- b) Outline the origin and the evolution of economic ideas before and after the development of economics as science. **(5 marks)**
- c) While the debate on what determines aggregate demand continue, another school of economic thought called the supply side economist emerged. Discuss the argument raised by supply side economists. **(5 marks)**
- d) Discuss five key differences between classical and Marxist political economy. **(5 marks)**

QUESTION TWO

Mercantilists economic thought was popular during the mid -16th and the late 17th centuries when European economy was in transition. Based on this statement, discuss:

- a) The mercantilist economic thought model, citing factors shaping the thought process. **(9 marks)**
- b) Physiocratic economic thought model **(6 marks)**

QUESTION THREE

The supporters of the Austrian school of economic thought advocate methodological individualism in interpreting economic development. Explain

- a) The logic behind the Austrian school of economic thought. **(5 marks)**
- b) The Austrian theory of capital and interest elaborating the determinants of interest rate in this thought perspective. **(5 marks)**
- c) How this argument differs from the mainstream economic theory? **(5 marks)**

QUESTION FOUR

Discuss the following:

- a) Emergence of neoclassical economic thought. **(5 marks)**
- b) Contribution of Alfred Marshal in the thought process. **(3 marks)**
- c) The Marshallian summation. **(7 marks)**

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