



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS**

**2021/2022 ACADEMIC YEAR**

**SECOND YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS**

**COURSE CODE: ECO 2107-1**

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

**DATE: 8<sup>TH</sup> APRIL, 2022**

**TIME: 1430-1630**

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**INSTRUCTIONS TO CANDIDATES**

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

## QUESTION ONE

- a. Developmet of economic thought evolved over time from a group of economic thinkers who share or shared a common perspective on the way economies work. Basing your discussion on this statement, discuss the following schools of economic thought
- (i) Ancient economic thought (3 marks)
  - (ii) Islamic economic thought (3 marks)
  - (iii) Mercantilism (3 marks)
  - (iv) Physiocrats (3 marks)
  - (v) Adam Smith “invisible hand” of market prices (3 marks)
- b. Discuss five basic principles of economics in the context of the history of economic thought. (5 marks)

## QUESTION TWO

The last five decades have seen enormous worldwide economic changes in terms of flow of trade, investment and advancement in technology. It is no longer possible to discuss any economy without taking into account developments in the rest of the world. In this respect, discuss the contributions of the following school of economic thoughts

- (i) Adam Smiths inquiry into the nature and causes of the wealth of nations. (5 marks)
- (ii) Karl Marx on socialism and communism ideas. (5 marks)
- (iii) David Ricardo two-sector analysis of the economy. (5 marks)

## QUESTION THREE

- a) Discuss the *laissez faire* doctrine, and elaborate the necessary conditions. (9 marks)
- b) Explain Marshallian Law of Diminishing Marginal utility . (6 marks)

## QUESTION FOUR

Discuss the contributions and relevance of the following in the development of Economic thoughts

- (i) Alfred Marshall (6 marks)
- (ii) John Stuart Mill (4 marks)
- (iii) Thomas Robert Malthus. (5 marks)

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