

ECONOMICS 30243
Contending Perspectives in Economics
Study Questions for Semester (Fall 2009)

INSTRUCTIONS: These questions are to help guide your studying. Though these exact questions may not appear on your exams, **the tests will be based entirely on this list.** I've already answered all the questions (I have a PhD in this stuff!) and so as to give you an idea of how much you need to say I have told you how many words it took me to do each one. A really good method as you are working is to imagine that you are explaining to a classmate (i.e., someone who is familiar with the general concepts but doesn't know the answer to that particular question). Studying involves taking this list and a blank piece of paper and writing out the answers until you don't make any mistakes. Don't try to memorize as there is too much—understand!

Questions are grouped by their source. For examples, questions based on lecture material have *Lecture* before them, and then appear without spaces between them. For questions where answers can be found in the reading, the specific chapter of the book is given and the questions are then grouped without spaces.

BACKGROUND

Lecture

1. Distinguish between validity and cogency. [25 words]
2. What is economics? [16 words]
3. What is microeconomics? [36 words]
4. What is macroeconomics? [28 words]
5. What is a paradigm/school of thought? [10 words]
6. Define and explain the difference between Kuhn's normal and revolutionary science. [122 words]

Mair and Miller: A Guide to Modern Economic Thought, Chapter One

7. What is Lakatos' central message? What is the logic underlying it? [90 words]
8. What is it that economists have in general failed to do adequately for students? [14 words]
9. What does Kuhn argue with respect to the choice between paradigms (in terms of what tends to happen in real life)? [25 words]

International Confederation of Associations for Pluralism in Economics: www.icafe.org

10. Check out the web page of the International Confederation of Associations for Pluralism in Economics (address listed above). Do you find that this group shares anything in common with the Kuhn or Lakatos approach? Explain briefly (citing evidence from the web page). [55 words]
11. What was ICAPE once called and why did they change the name? [136 words]
12. "Pluralism" is never defined on the ICAPE web page. Using context clues, what do you think they mean by it? [20 words]

THE NEOCLASSICAL MAINSTREAM

Lecture

13. Regarding the Neoclassical Mainstream, list and describe in a sentence or two the three historical inputs into that paradigm's intellectual foundation. [67 words]
14. List and describe the four modern characteristics of the neoclassical school of economic thought's research program. [97 words]
15. In the Neoclassical model, what maintains the equality of investment and saving? [95 words plus graph]

Mair and Miller: A Guide to Modern Economic Thought, Chapter Four

16. Why would individual utility maximization (particularly monetary) have been a foreign concept in feudal Europe? [41 words]
17. Distinguish between what Neoclassicals would call positive and normative analysis. [17 words]
18. What two important features of the social philosophy of utilitarianism do the textbook authors think you should note? [32 words]
19. Under Neoclassical welfare economics, what are the two typical basic assumptions that are made (with respect to individuals)? [34 words]
20. What is the Pareto welfare criterion? [18 words]

American Economics Association: <http://www.vanderbilt.edu/AEA/index.htm>

21. Go to the web page for the American Economics Association (link above). Membership in the AEA provides you a subscription (and not just the first issue) to what three journals?

THE MARXIST SCHOOL

Lecture

22. From what three separate strands did Marxism evolve? [46 words]
23. In what sense did Marx believe that capitalism was exploitative? [48 words]
24. How did Karl Marx argue that capitalism was a necessary stage in the evolution of human history? [69 words]
25. How did Marx predict that capitalism would sow the seeds of its own destruction? [71 words]

Union for Radical Political Economics: <http://www.urpe.org/>

26. Go to the URPE web page (listed above) and click on "About URPE" and then "History of URPE." What are URPE's three objectives? [93 words]
27. What does URPE oppose and what do they present? [41 words]

Mair and Miller: A Guide to Modern Economic Thought, Chapter Nine

28. What does the doctrine of "historical materialism" state and what are its two principal elements? [80 words]
29. What determines the consciousness of mankind (as opposed to Hegel had argued)? [5 words]
30. The mode of production consists of two elements. What are they? Briefly explain. [39 words]

- words]
31. What is the contradiction of material life and when is it resolved? [31 words]
 32. Marx believes that value is objectively determined basically by what? [1 word]
 33. Marx's critics said his falling rate of profit prediction was both technically and empirically wrong. Explain their position. [66 words]
 34. Explain the means by which Baran and Sweezy's monopoly capital allows for and indeed predicts a rise in capitalists' profits over time. [37 words]
 35. Under Baran and Sweezy's monopoly capital, what is the source of capitalist crisis? [42 words]
 36. To what three mechanisms will capitalists (under Baran and Sweezy's monopoly capital theory) turn to try to realize their surplus? [40 words]

THE AUSTRIAN SCHOOL

Lecture

37. List and explain in a sentence or two the four characteristics of Austrian economics: [146 words]

Society for the Development of Austrian Economics: <http://it.stlawu.edu/sdae/>

38. Go to the web page for the SDAE (linked above). Find their statement of purpose. What is their purpose and what does this include? [72 words]

Mair and Miller: A Guide to Modern Economic Thought, Chapter Three

39. What are Menger's universal principle and originating cause? [6 words]
40. Everything in Menger is to be considered a result of what (and what)? [17 words]
41. Why does Austrian economics not concentrate on the concept of the good (as does Neoclassical, for example)? [25 words]
42. What does Menger identify as the principal cause of economic progress? Briefly explain his logic. [53 words]
43. Austrians believe that the laws of economics they develop are not to be tested, but are instead are established truths. How do they justify the latter and in what sense must this guarantee cogency? [37 words]

THE POST KEYNESIAN SCHOOL

Lecture

44. List and explain in a sentence or two the four characteristics of Post Keynesian economics: [138 words]
45. What is the investment-capital cycle, and how can it lead to recession and unemployment (include the diagram and a brief explanation)? [19 words, a diagram, and a schematic]
46. In Keynes' model, what maintains the equality of investment and saving? [bunch of math plus explanation]
47. Give the Monetarist/Neoclassical explanation of inflation. [103 words]
48. Give the Post Keynesian critique of the Monetarist/Neoclassical view of money creation. [49 words]
49. What does it mean to say that the money supply is endogenous? [97 words]

50. How do Post Keynesians argue that in the real world, ΔP causes ΔM and not the other way around? [54 words]
51. How is their disagreement over the relationship between money and prices an example of the Monetarists positivism vs the Post Keynesians realism? [118 words]
52. Explain the Classical version of the labor market. [107 words]
53. Explain the Neoclassical Keynesian version of the labor market. [113 words]
54. Explain the Keynes/Post Keynesian version of the labor market. [104 words]

Journal of Post Keynesian Economics: http://www.mesharpe.com/journal_info/pke.htm

55. Go to the web page for the JPKE (listed above). Who is the editor? [name]

Mair and Miller: A Guide to Modern Economic Thought, Chapter Seven

56. What is a key feature of Post Keynesian methodology (in terms of the evolution of economic theory)? How does this lead to history of economic thought being important to Post Keynesian analysis? [54 words]
57. How do Post Keynesians feel about the positive/normative split? [35 words]
58. How do Post Keynesians feel about the micro/macro split? [24 words]
59. What is meant by “realism” in Post Keynesian methodology? [6 words]
60. In Post Keynesian economics, how is capitalism understood and what is the state’s role? [67 words]
61. The Post Keynesians argue that aggregate supply and aggregate demand are actually interdependent, as opposed to the Neoclassical view that they are independent. Explain. [64 words]
62. Some schools of thought draw a distinction between short run and long run phenomena. How do the Post Keynesians presented in the book feel about that? NOTE: This is not about short-period vs. long-period expectations! [18 words]
63. By what are prices determined in the Post Keynesian model and what is the predominant model of pricing in the short run? [31 words]
64. The return to factors of production is a result of what process in the Post Keynesian model? [5 words]
65. Answer the following in terms of the Post Keynesian view of money. Money is the refuge of what? Liquidity preference involves a desire to do what (and what)? [26 words]

THE INSTITUTIONALIST SCHOOL

Lecture

66. From what intellectual developments did institutionalism evolve? [38 words]
67. What is the ceremonial/instrumental dichotomy and how is it important in the Institutional approach to the economy? [66 words]
68. Pattern modeling is a common institutionalist research method. What does it entail? [46 words]
69. What has Michael Radzicki recommended as a solution to the weaknesses of pattern modeling? Explain. [54 words]
70. What is conspicuous consumption? [14 words]

71. What is invidious distinction? [9 words]

Association for Evolutionary Economics: <http://www.associationforevolutionaryeconomics.org/>

72. Go to the web page for AFEE (listed above) and find the AFEE conference program. Who will be winning the Veblen-Commons Award this year? [2 words]

Mair and Miller: A Guide to Modern Economic Thought, Chapter Eight

73. What do Institutionalists see as the central economic problem and what thus controls economic outcomes? To what fundamental proposition does this lead? [44 words]

74. How does Marc Tool define the instrumental value principle in Institutionalism? [25 words]

75. How does an institutionalist set about doing empirical research (first, and then)? [31 words]

76. What was the central argument of John Kenneth Galbraith's *The Affluent Society*? [30 words]

77. What did Institutionalist Thorstein Veblen and sort-of Neoclassical Alfred Marshall both recommend in terms of economic modeling? [20 words]

THE NEW INSTITUTIONALIST SCHOOL

Online Chart: http://www.econ.tcu.edu/harvey/30243/OIE_vs_NIE.pdf

78. Be able to fill in the OIE/NIE chart.

International Society for New Institutional Economics: <http://www.isnie.org/>

79. Go to the web page for ISNIE (listed above) and select "About ISNIE. What is the goal of New Institutional Economics? [27 words]

Mair and Miller: A Guide to Modern Economic Thought, Chapter Eight

80. What is the essence of Ronald Coase's argument in *The Nature of the Firm*? [15 words]

81. Williamson's new institutionalism boils down to what (which means what for how institutions evolve)? [30 words]

THE FEMINIST SCHOOL

International Association for Feminist Economics: <http://www.iaffe.org/>

82. Go to the IAFFE web page (shown above). What is the journal sponsored by IAFFE called and where is it published (in other words, where is the editor employed)? [journal name, university name]

Feminist Economics on Wikipedia: http://en.wikipedia.org/wiki/Feminist_economics

83. What prominent issue do Feminist Economists study that is related to GDP? Explain their thinking. [67 words]
84. Explain the Feminist Economics perspective on economic success. [47 words]
85. Explain the Feminist Economics perspective on human agency. [77 words]
86. Explain the Feminist Economics perspective on ethical judgements. [63 words]
87. Explain the Feminist Economics perspective on gender, race, and class. [27 words]
88. On what do Feminist Economists argue that economic development in the Global South depends? [25 words]

Veblen's "Barbarian Status of Women:"

<http://etext.virginia.edu/toc/modeng/public/VebBarb.html> (Select "essay")

89. What comes with the growth of industry? And if this happens, into what may a group divide itself (conventionally)? [18 words]
90. In a community as that described by Veblen, upon what do the standards of merit and propriety rest? [15 words]
91. What is one of the early consequences of the deprecation of infirmity? In fact, what should all those who are mindful of their virility do? [32 words]
92. How does the institution of ownership-marriage make its way into definitive acceptance as the only beautiful and virtuous form of the relation? [23 words]
93. In households where marriage is still associated in some way with wife-capture, marriage is, by derivation, what? [5 words]
94. Are, according to Veblen, the habits of thought fostered by modern industrial life favorable or unfavorable to the continuation of the barbarian status of women? [one word]