

ECONOMICS 30243
Contending Perspectives in Economics
Study Questions for Semester (Spring 2012)

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]

Harvey "Economics as a Scientific Discipline"

http://www.econ.tcu.edu/harvey/30243/Economics_as_a_Scientific_Discipline.pdf

7. What are we taught in primary and secondary school about science? [17 words]
8. Harvey argues that bias is inevitable in our attempts to understand the world. What example does he give in support of this in terms of setting up a chemistry experiment? [34 words]
9. What are the beliefs that bind together the subculture of scientists? [37 words]
10. What is something that scientists can really accomplish (given the fact that they can't actually discover unbiased "truths")? [5 words]
11. Many factors affect the acceptance of a theory or model, some reasonable and some not, some outside of science and some within it. Those most associated with the last are the primary and secondary standards of behavior. Briefly explain what these are, what happens if violated, and what the result of conspicuous adherence may be. [60 words]
12. What, in terms of subject matter, is the central focus of undergraduate economics (and what does this mean)? [35 words]
13. What is the concern of those who think that undergraduate economics is not done well and what does their view imply? [100 words]
14. The change in the mix and content of courses in economics graduate school is a function of what heavy shift? [5 words]
15. The basic training of most economists includes the idea that qualitative data are inherently biased and that they should therefore rely on reason and intuition. But how does this not result in uncontrolled speculation? [23 words]
16. Although the vast majority of published articles have very little impact, it is at least true that those who publish regularly are more likely to do what? [7 words]
17. What is the most challenging part of an assistant professor's portfolio-building process? [1 word]
18. What percentage of papers received a rejection or a revise and resubmit at journals? [range of percentages]
19. Where do economic schools of thought exist and evolve? [7 words]
20. What are the key primary standards of behavior in economics? [41 words]
21. Upon what do secondary standards focus during the undergraduate period? Graduate? Apprenticeship? [25 words]

22. What problem does Harvey perceive in economics with respect to the conflict between what the nature of scientific inquiry implies we should do as opposed to what the incentives and structure of our discipline actually encourage? How is the latter created by the undergraduate and graduate education and the process by which tenure is earned? [234 words]

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

23. Check out the web page of the International Confederation of Associations for Pluralism in Economics (address listed above). Summarize ICAPE's statement of purpose. [34 words]
24. "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

25. From what intellectual traditions did Neoclassicism evolve? [67 words]
26. What are the characteristics of modern Neoclassicism? [97 words]
27. In the Neoclassical model, what maintains the equality of investment and saving? [95 words plus graph]

Harvey "Neoclassicism" <http://www.econ.tcu.edu/harvey/30243/Neoclassicism.pdf>

28. Neoclassical economists prefer a priori reasoning due to their beliefs regarding the proper means of developing premises. What is their argument with respect to premises based on observation (based on Scottish Common Sense Philosophy) and what do they believe we should do instead? [71 words]
29. What two factors led to the post-WWII dominance of Neoclassical economics? Explain each briefly. [132 words; you'll have to work on this one!]
30. Why are examinations of history and institutions of only minor interest to Neoclassicals? [33 words]
31. What does it mean to say that Neoclassicism uses an as-if method? [23 words]

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

32. 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

33. From what intellectual traditions did Marxism evolve? [46 words]
34. In what sense did Marx believe that capitalism was exploitative? [48 words]
35. How did Karl Marx argue that capitalism was a necessary stage in the evolution of human history? Be sure to define each stage of history in your answer. [69 words]
36. 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/>

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

Harvey "Marxism" <http://www.econ.tcu.edu/harvey/30243/Marxism.pdf>

39. What is meant by a dialectal process? [25 words]
40. What force did Hegel believe was driving the historical dialectic and how does it make itself felt (and what makes it "teleological")? [47 words]
41. According to Marx, when do worldviews change? [21 words]
42. How do students often respond to the Marxist accusation that capitalists deserve no income? And what is the Marxist counter argument? [67 words]

43. Does the fall of the veil of consciousness from workers' eyes cause the collapse of capitalism? Explain. [40 words]

Review of Baran, P.A. and Sweezy, P.M. **An Essay on the American Economic and Social Order.**

<http://www.econ.tcu.edu/harvey/30243/ReviewMonopolyCapital.pdf>

44. What did Baran and Sweezy think Marx was incorrect in anticipating? [34 words]
45. Why did Baran and Sweezy think that modern Marxists had not contributed very much to the analysis of contemporary socio-economic trends? What did they think should replace the old conception? [34 words]
46. What two things do Baran and Sweezy argue combine to create continuously widening profit margins? [16 words]
47. What inherent problem is associated with the tendency of the system to generate a larger and larger surplus (note: the answer might make more sense to you if you substitute "purchase" for "absorption")?
48. What will reveal itself on the surface of reality as time passes? [2 words]

*****Probably to here for exam one*****

THE AUSTRIAN SCHOOL

Lecture

49. 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/>

50. 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]

Harvey "Austrianism" <http://www.econ.tcu.edu/harvey/30243/Austrian.pdf>

51. What is the starting point of Austrian economic method and why does that lead them to be suspicious of aggregative statistical measures? [33 words]
52. What is the action axiom and why do Austrians believe that it cannot be disproved? [54 words]
53. What does Austrian subjectivism say about economic behavior? [15 words]
54. How is subjectivism key in the Austrian argument that government planning cannot be superior to market solutions? [74 words]
55. In the Austrian explanation of how the business cycle occurs, explain how the government's ignorance of individual preferences causes the recession. [109 words]

THE POST KEYNESIAN SCHOOL

Lecture

56. List and explain in a sentence or two the four characteristics of Post Keynesian economics: [138 words]
57. In Keynes' model, what maintains the equality of investment and saving? [bunch of math plus explanation]
58. 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]
59. Explain the Classical version of the labor market. [107 words]
60. Explain the Neoclassical Keynesian version of the labor market. [113 words]
61. Explain the Keynes/Post Keynesian version of the labor market. [104 words]
62. Give the Monetarist/Neoclassical explanation of inflation. [103 words]
63. Give the Post Keynesian critique of the Monetarist/Neoclassical view of money creation (Note: this is NOT the question asking how money supply is endogenous or how ΔP causes ΔM and not the other way around). [49 words]
64. What does it mean to say that the money supply is endogenous? [97 words]
65. How do Post Keynesians argue that in the real world, ΔP causes ΔM and not the other way around? [54 words]

66. How is their disagreement over the relationship between money and prices an example of the Monetarists positivism vs the Post Keynesians realism? [118 words]

Harvey "Post Keynesianism" <http://www.econ.tcu.edu/harvey/30243/PK.pdf>

67. What, in particular, do Post Keynesians argue about "Keynesians" interpretation of Keynes (be sure to mention to which school of thought Keynesians belong)? [51 words]
68. What is the irony that Post Keynesians see arising in the macroeconomy? [21 words]
69. What is a conscious and important target for every household and firm under uncertainty, and how does this cause a problem for Meg's factory? [25 words]
70. In the Post Keynesian scheme, what is interest? How does this break an important link that had existed in the Neoclassical perfect-foresight model? [111 words]

*****Probably to here for exam two*****

THE INSTITUTIONALIST SCHOOL

Lecture

71. From what intellectual developments did institutionalism evolve? [95 words]
72. What is the ceremonial/instrumental dichotomy and how is it important in the Institutional approach to the economy? [66 words]
73. Pattern modeling is a common institutionalist research method. What does it entail? [46 words]
74. What has Michael Radzicki recommended as a solution to the weaknesses of pattern modeling? Explain. [54 words]
75. What is conspicuous consumption? [14 words]
76. What is invidious distinction? [9 words]

Association for Evolutionary Economics: <http://www.afee.net/>

77. Go to the web page for AFEE (listed above) and find the AFEE conference program. Who won the Veblen-Commons Award this year? [2 people]

Harvey "Institutionalism" <http://www.econ.tcu.edu/harvey/30243/Institutionalism.pdf>

78. The path to understanding the Institutional perspective must start with what concept? [4 words]
79. Why according to Institutionalists does cultural change take a very long time? [13 words]
80. Explain why, according to Institutionalists, even a non-racist employer in the 1950s would be unlikely to hire a Black woman to sell jewelry at their shop (be sure to mention how this is related to the culture in general and its link to the market). [66 words]
81. What is democratic problem solving? [10 words]
82. Dilmus James says the issue blocking development in Latin America is inadequate institutions. What does he mean by this and to what can a great deal of it be traced (and what is a consequence)? [71 words]
83. Why did the tremendous inequities in Latin America arise in the first place and by what sort of values was this driven? [58 words]

THE NEW INSTITUTIONALIST SCHOOL

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

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

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

North, Douglass, "The New Institutional Economics and Development."

<http://www.econ.tcu.edu/harvey/30243/NewInstE.North.pdf>

86. New Institutional economics argues that Neoclassicism accepts values as given and constant, believes that there exists an objective description of the world as it really is, and assumes that the decisionmaker's computational powers are unlimited. This leads to what two important consequences (that then mean that there is no role for institutions in Neoclassicism)? [61 words]
87. What do individuals possess that they use to interpret the world around them (and from what are these derived)? [51 words]
88. Institutions are formed to reduce what and when does the Neoclassical result of efficient markets obtain? [24 words]
89. What is the more stringent implicit requirement of the discipline-of-the-competitive market model and now often is it realized? [43 words]
90. In everyday language, why does institutional path dependence exist? [22 words]

THE FEMINIST SCHOOL

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

91. 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

92. What do Feminist Economists argue that traditional analysis of economic systems often fails to take into account? Explain their thinking. [79 words]
93. Explain the Feminist Economics perspective on economic success. [47 words]
94. On what do Feminist Economists argue that economic development in the Global South depends? [25 words]

Harvey "Economics of Gender" <http://www.econ.tcu.edu/harvey/30243/Feminism.pdf>

95. What is the difference between feminist economics and the economics of gender, and how can the line between male and female be drawn differently (and to what can that open the door)? [120 words]
96. What are the secondary standards of behavior that one might have to violate if approaching feminist economics from a Neoclassical perspective? [28 words]
97. How does Neoclassical economist Gary Becker come to the conclusion that women may purposely seek less-demanding, lower-paying work and that any experience they build will be in jobs with poor pay and benefits? [108 words]
98. Summarize the four criticisms of Gary Becker's analysis of women's wages. [179 words]

Veblen's "Barbarian Status of Women.:" <http://etext.virginia.edu/toc/modeng/public/VebBarb.html> (Select "essay")

99. What comes with the growth of industry? And if this happens, into what may a group divide itself (conventionally)? [18 words]
100. In a community as that described by Veblen, upon what do the standards of merit and propriety rest? [15 words]
101. What is one of the early consequences of the depreciation of infirmity? In fact, what should all those who are mindful of their virility do? [32 words]
102. 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]
103. In households where marriage is still associated in some way with wife-capture, marriage is, by derivation, what? [5 words]
104. 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]