



ALUPE UNIVERSITY
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...Bastion of Knowledge...

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ACADEMICS, RESEARCH AND STUDENTS' AFFAIRS

UNIVERSITY EXAMINATIONS

2018 /2019 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER REGULAR EXAMINATION

**FOR THE DEGREE OF BACHELOR OF ARTS IN
ECONOMICS**

COURSE CODE: ECO 224

COURSE TITLE: HISTORY OF ECONOMIC THOUGHT II

DATE:25/04/2019

TIME:9.00AM-12.00PM

INSTRUCTION TO CANDIDATES

- **SEE INSIDE**



THIS PAPER CONSISTS OF 3 PRINTED PAGES

PLEASE TURN OVER

INSTRUCTIONS TO CANDIDATES

- Answer Question **ONE** and any other **TWO** questions
- Question **ONE** carries 30 marks and the rest carry 20marks each.
- Time allowed: 3 hours

Question One

- (a) Keynesian Revolution changed the consensus on both the fiscal and monetary policies. Explain. (10marks)
- (b) Differentiate the determination of equilibrium level of income under the classical school and Keynesian theorists. (10marks)
- (c) Discuss the reasons that contributed to the decline of the classical school of economics. (10 marks)

Question Two

- (a) The determination of income with changed level of capital stock accelerates economic growth through increase in the level of output and employment. Discuss. (10marks)
- (b) Briefly explain the portfolio theories for demand of money as given by the neo-classical theories. (10marks)

Question Three

- (a) Under what circumstances can the Neo-classists be regarded as synthesizers. (10 marks)
- (b) Explain how a change in the level of government spending in a closed economy may increase the level of income and employment in the economy. (10marks)

Question Four

- (a) In the Keynesian system, the component of aggregate demand plays an important role in determination of income and interest rate. Discuss. (10marks)
- (b) Discuss the contributions of Joseph Schumpeter to the history of economic thought. (10 marks)



Question five

- a) The revolution of transport system, associated with industrial revolution includes the development of the railway system. Provide a critical evaluation of the railway system in overall economic development of an economy. (10 marks)
- b) Explain the impact of money and barter system on economic development. (10 marks)

