

ECO 372

Exam 1: In-Class Component

19 September 2003

50 points

Skaggs

1. The medieval mindset differed significantly from the modern mindset. In the 17th century, England was undergoing a transformation in its mindset. This transformation both reflected and generated changes in economic activities. One particular socio-economic change that raised a great controversy was the enclosure of rural lands. Briefly explain what the opponents of enclosure found wrong with it, and explain why most valuable land was nevertheless enclosed. (8)
2. Use the “mercantilism as rent-seeking society” theory to explain why mercantilism gave way to a liberal market economy much earlier in England than in France. (10)
3. What exactly is François Quesnay’s *Tableau Économique*? What does it purport to show? (5)
4. What role do “advances” play in A.R.J Turgot’s theory of economic activity? Why is it impossible to develop a productive economy without them? (7)
5. David Hume argued that it was very difficult for an economically advanced economy to maintain its lead in income and production over poorer economies. What is the gist of his argument? (5)
6. Hume also argued that if four-fifths of the money of England disappeared overnight, it would be of no great consequence. Outline the argument he used in support of this nonchalant view. (10)
7. Link the following names to the appropriate titles or statements on the right. (5)

John Duns Scotus	Studied under Gershom Carmichael
Edward Misselden	Natural law jurist
Francis Hutcheson	Just price as cost of production
Gerard de Malynes	Concept of Balance of Trade
Hugo Grotius	Intrinsic value of money