

ECO 372

Exam 1: Take-Home Component

Due: Friday, 19 September, in class, typed doubled-spaced

Grading Rubric: 80% on strict content; 20% on writing style and grammar

1. Just Price (25 points)

Write an essay on the just price, explaining in detail the origins of the concept, any ambiguities in its meaning, and why and how the concept was utilized more than a millennium after it was invented. Your essay should address the following particulars:

- Who originated the concept?
- What circumstances in his society might have driven him to devise such a concept?
- What principles underlay the just price?
- When was the concept of just price reintroduced into scholarly thought?
- Who reintroduced it?
- What problem or problems was the theory intended to ameliorate?
- Just-price theory re-emerged in two forms. What were they? Why might two versions have arisen, rather than one?
- Present the arguments in favor of each of the two theories of just price. Cite modern commentators in support of these arguments.
- Are the two theories mutually exclusive? Explain.
- Which theory do you find more persuasive? Why?

2. Mercantilism (25 points)

Write an essay on English mercantilist economics in the 1620s. Explain the arguments advanced by Gerard de Malynes, Edward Misselden, and Thomas Mun, noting the underlying assumptions that led each man to argue as he did. Show how the three of them advanced two very different views of economic reality. In the course of your essay, you should also:

- Provide sufficient background information on the English economy to explain why an explosion of economic writing occurred in the 1620s.
- Discuss the seminal contribution made by Misselden.
- Assess the logic of Mun's argument and provide a plausible argument in support of his re-export doctrine (accumulate bullion, then trade with it). I.e., defend Mun against the critics who surfaced in subsequent centuries.