The exam is worth 300 points total. Points for Each question are in parentheses. Answer questions totaling 300 points. Answer at least 4 questions from Part A and at least 1 question from Part B. Continue answers on the back for Part B questions.

Part A: Short-Answer Questions

1. (25) Compare and contrast Adam Smith’s and Plato’s views on specialization and relate to Buchanan’s “Equality as Fact and Norm.”

2. (25) For Buchanan, the difference between the “individualist” who emphasizes the market process and the “collectivist” who engages in group decision making are not in their values, but in their ideas of equality. Describe briefly the sorts of results that might arise under idealized market and collective processes when preference/utilities, and endowment/capacity/ transformation functions in the four quadrants of equality and inequality (e.g. equality and equality, equality and inequality, inequality, and equality and inequality).

3. (25) Explain the difference between “methodological individualism” and “methodological holism” and which schools are primarily identified with each methodology.

4. (25) What are the “conservative, liberal, and radical” maxims of economic justice?

5. (25) Compare the value judgments required for the efficiency (Marshallian) criterion with those required for the Pareto Principle of efficiency. Explain why they are different.

6. (25) Contrast mark-up pricing with the neoclassical price formation argument.

7. (25) What are the three axioms of neoclassical economics rejected by Post-Keynesians, and why is each rejected?

8. (25) Why does Kirzner argue that all market processes are competitive, even ones that end in monopoly?

9. (25) In Marx’s view, what is alienation and after a society reaches communism, what does alienation evolve into?

10. (25) What did Marx mean by the “Law of Value” and what is the central problem that is solved by this law in capitalism?

11. (25) What is meant by a “hard core” proposition within a science? What are the four propositions that make up the “hard core” of conventional neo-classical economics?

12. (25) Market socialism incorporates which feature of capitalism to make up for socialism’s calculation problem, and how does this feature solve the calculation problem?

Part B: Essay Questions

13. (100) Orthodox Keynesianism is dominated by discussions of fiscal policy. Yet, Post-Keynesians argue that Keynes was primarily a monetary theorist. Are these two views compatible? If so, how? If not, why not?
14. (100) Explain Garrison's assertion that in Austrian macroeconomics money is a "loose joint." What markets, from the Austrian perspective, are tied together by money in this way? How does this contrast with the monetary views of Keynesians and Monetarists? Is this characterization of Keynes' monetary views consistent with the Post-Keynesianism? Why or why not?

15. (100) If Marx's conception of freedom requires freedom from/control of social forces, how can it end in anything other than top down control of some sort, e.g. a central planning board. Marx doesn't think this control is necessary economically, but in a post-scarcity paradise there will still be social pressures and norms (everyone must pilot her yacht around the lake in a clockwise manner, say). Where is the logical stopping point to Marx's conception of freedom? Even if we accept his account of economics and the direction of history, how are potentially oppressive spontaneous social norms going to be eradicated without some top-down directive calling the shots to make sure not one is subject to social forces in an oppressive way?