

## **Voluntary Assignment 1**

**To be delivered at latest October 18 at 12.00**

This is the first of two voluntary assignments. The format corresponds roughly to what will appear at exam.

Your answers can be sent as pdf file to my email address: [hans.keiding@econ.ku.dk](mailto:hans.keiding@econ.ku.dk)

1. Say's law is often formulated so as to say that supply creates its own demand. Give a brief explanation of the context and meaning of Say's writings on this subject.

How was Say's law (in its original version) received by his contemporaries?

2. Give a critical survey of the concept of decreasing returns to scale as it can be inferred from the writings of economists before and including J.S.Mill.

Discuss the policy implications proposed by the authors whenever relevant.

3. Describe and compare the approaches to a theory of international trade with special emphasis on trade policies as they appear in the writings of Adam Smith, Malthus, Ricardo and Mill.

Why are there fundamental differences in the attitude of these authors towards tariffs?