

Voluntary Assignment 2

To be delivered at latest Wednesday, November 22th at 12.00

1. Give a survey and comparison of the way in which the classical and the neoclassical theorists have treated the determination of wages. In the course of the survey, you should consider the following:
 - (a) Did the authors consider wages as determined by market forces, and if so, how?
 - (b) Could their theory be considered not only as descriptive but also as normative?
2. The role of financial policies (taxes and government spending) in the writings of economic theorists has changed considerably over time.
 - (a) Give a survey of the views on government income and expenditure by some central economic authors prior to Keynes.
 - (b) Explain the principal objections of the “classics” (in Keynes’ terminology) to the use of government expenditure to combat unemployment?
3. The quantity theory of money has been a in important part of economic theory for many centuries. Give an overview of the history of the quantity theory of money, containing the following main points:
 - (a) its first appearance and the context in which it was formulated,
 - (b) the adjustments to the quantity theory taking place after the marginalist reorientation of economics.