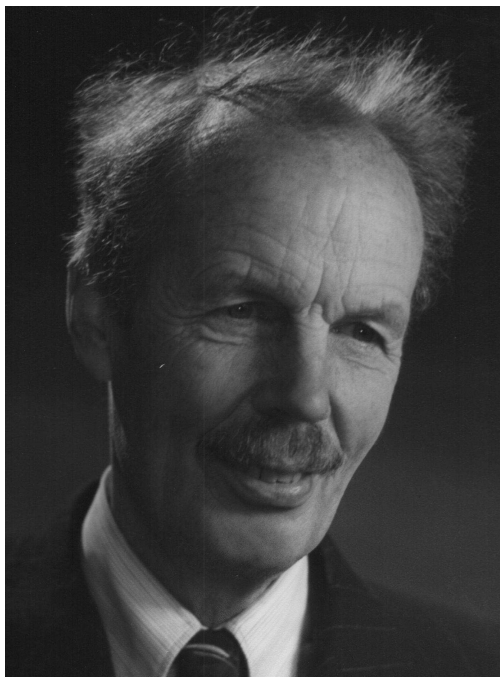


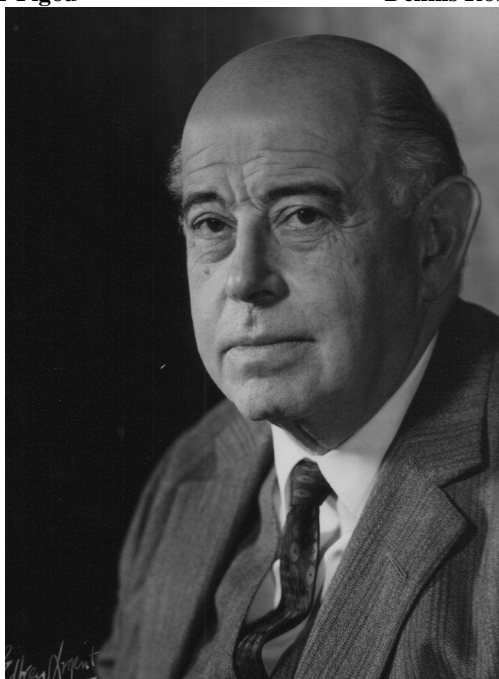
**Centenary Conference**



**Arthur Pigou**



**Dennis Robertson**



**Nicholas Kaldor**

**Tripes questions:  
1906, 1926, 1936, 1955, 1969 and 1983**

# ECONOMICS TRIPOS.

## PART I.

MONDAY, May 28, 1906. 9—12.

### GENERAL PRINCIPLES OF ECONOMICS. I.

*For more than seven questions are to be attempted. Candidates are recommended to attempt seven.*

1. What is meant by saying that Economics is an abstract science? Can abstract methods lead to true results? Distinguish the particular abstractions that it is convenient to make in different departments of the science.
2. Point out the chief difficulties that are met with in attempting to define *wealth* and *capital*.
3. Distinguish the various meanings that may be given to the term *value*. Examine the statement that value depends upon cost of production and not vice versa.
4. Distinguish the principal forms assumed by co-operative enterprise in England. Discuss the advantages and disadvantages of co-operative production; and, by reference to specific industries, show how their relative importance varies in different circumstances.
5. Consider how far it is theoretically possible to measure the net gain or loss to the community of a tax on a particular commodity, and to compare this with the gain of the State.
6. Describe the part played by the principles of Joint Stock enterprise and Limited Liability in the organization of industry. In what way would you expect the application of these principles to react upon the general rate of interest?
7. State the relations between increasing and decreasing returns. Are these tendencies of necessity mutually exclusive in the same set of circumstances? Would it be correct to say, of industries or individual manufacturing firms, that increasing returns is the law of the whole, while decreasing returns is the law of each of the parts?
8. "Even were the whole of China partitioned out among the other industrial nations, each imposing tariffs which virtually prohibited direct trade between Great Britain and China, it by no means follows that England would not reap enormous benefits from the expansion of her foreign trade, attributable in the last resort to the opening up of China." Examine this, indicating the nature of the benefits referred to.
9. Discuss the effect upon prices of the imposition upon a monopolist of a tax proportioned (1) to monopoly revenue, (2) to output, (3) to price per unit of output.
10. Discuss the comparative advantages of direct and indirect taxation as a means of raising revenue.

# ECONOMICS TRIPOS.

## PART II.

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MONDAY, June 7, 1926. 9—12.

### ECONOMIC PRINCIPLES.

*Five questions and only five to be attempted.*

1. "In the case of a commodity which obeys the law of increasing return, neither the conception of marginal cost, nor therefore the conception of producer's surplus, has any meaning." Discuss this matter.
2. How far does the validity of the methods and results of Economic Science depend on the assumptions (1) that pleasure is the only good, (2) that people always seek their own pleasure?
3. Examine the validity of the notion of "real cost" as one of the ultimate determinants of the price of goods and the earnings of the factors of production.
4. "The progress of mechanical invention is certain to benefit the labourer, but unlikely to benefit the landlord." Discuss.
5. "Among the most characteristic and most important of Marshall's contributions to economic theory was the conception of quasi-rent." Wherein does the importance of this conception lie?
6. What meaning, if any, can be usefully attached to the phrase "elasticity of supply"? Bring out the difficulties which beset attempts to give it a precise meaning.
7. "The considerations which determine an individual's demand for money do not differ in any important respect from those which determine his demands for other commodities." Discuss.
8. A specific tax of given amount is to be imposed on the sale of a commodity. What circumstances determine the extent to which the price of the commodity will rise in consequence of the tax?
9. In what conditions will the working class of one country gain by a general rise of wages in another country?

# ECONOMICS TRIPOS.

## PART II.

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MONDAY, June 1, 1936. 9—13.

### MONEY.

*Five questions and only five should be attempted.*

1. "The importance of money essentially flows from its being a link between the present and the future." Discuss this statement.
2. "As things are to-day there is no reason why prices should rise merely because gold contents of currencies are reduced." Examine this opinion, citing instances in point.
3. Suppose a tax of one-fourth per cent. per month were to be imposed upon private holdings of money (notes and deposits), how would you expect the rate of interest to be affected?
4. How far does recent experience support the belief that the control of credit is more effective in this country than in the United States chiefly because of the greater stability of the reserve ratios of the ordinary banks?
5. Consider whether in a progressive society social welfare is likely to be best served by a monetary policy which secures a gradual decline in general prices.
6. Trace the main stages in the evolution of the Bank of England as a central bank.
7. Analyse the factors which at present determine the exchange value of the pound sterling, and investigate the case for linking it to gold at an early date.
8. Examine the merits of recent legislative changes affecting the banking system either (a) in the United States, or (b) in Canada.
9. In what respects is a suitable budgetary policy an essential complement to a banking policy designed to stabilise employment?
10. Explain the apparent tendency for the average period of British trade cycles to increase in the course of the nineteenth century.
11. "It is difficult to avoid the conclusion that the appreciation of money was mainly responsible for the economic troubles of this country following the peace of 1815 and that of 1919, alike." Discuss this statement.
12. What type of index-number of prices would you consider most closely relevant to the analysis of cyclical changes in the value of money?

**ECONOMICS TRIPOS.**  
**PART II**

MONDAY, 30 May 1965. 9—12

**ECONOMIC PRINCIPLES**

*FOUR questions, and only FOUR, should be attempted.*

1. *Either* Does every economic recommendation necessarily imply a "value judgment"?  
*Or* "An economic law may be a generalisation about the way in which people actually behave; or it may be a statement about the way in which they ought to behave in defined circumstances if they knew all the facts." Consider the implications of this distinction.
2. What problems confront the attempt to measure changes in the national income when changes of taste are occurring? By what means, and to what extent, can they be overcome?
3. Compare the effects upon the allocation of productive resources between consumption, domestic investment and exports of (a) an open inflation, and (b) inflation suppressed by direct price and wage controls.
4. *Either* "The rate of population growth is the prime factor in determining whether a mature economy is or is not likely to be subject to chronic depression." Discuss.  
*Or* Analyse the factors which can transform a state of long-period Malthusian stagnation into a cumulative process of economic growth.
5. In what conditions, if any, can Trade Unions by bargaining raise real wages per head without adversely affecting employment (a) in a particular industry, and (b) in the economy as a whole?
6. In conditions of imperfect competition a price fixed for the current year may affect sales proceeds in future years. How can this fact be brought into relation with the theory of the firm?
7. Can any motives of economic self-interest be adduced in favour of a mature country making loans to under-developed countries below the commercial rate of interest on overseas loans prevailing in its own capital market?
8. Analyse the factors that determine the price of a second-hand long-lived durable good (e.g. a motor-car). Examine the inter-relationships between the second-hand price and the new price.
9. Is it true to say that if trade were free, migration from Europe to America would not benefit either continent?
10. Can the stock of capital in any economy be measured in terms of the length of the production process?
11. Is it true to say that the marginal productivity theory of distribution is now obsolete? If so, is there any alternative general theory of distribution?

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Saturday 28 May 1983 1.30 to 5.30

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Paper 3

ECONOMIC PRINCIPLES AND PROBLEMS

*Attempt one, and only one question.*

*You are strongly advised not to write at excessive length, and to prepare carefully before beginning to write your answers.*

*In view of the fact that four hours are allowed for a single question, the Examiners will pay particular attention to orderly arrangement and the avoidance of irrelevance, and will expect you to write legibly.*

*You may make use of statistics from the National Income and Expenditure 'Blue Book' (any year) and from OECD Main Economic Indicators: October 1982. You may also use the 'Handbook of International Economic Statistics' produced by the Faculty.*

*You may ignore the instruction to write on both sides of the paper wherever you think this would help the Examiner to follow your analysis.*

1 'Capitalism to all appearances has been re-established on its throne, largely, by a curious irony, through the agency of a most potent proof of its own shortcomings - the occurrence of a prolonged and severe depression of trade.' (D.H. ROBERTSON) Consider the relevance of this quotation to events in Britain during the last decade.

2 Compare and contrast the depression of the 1980s with that of the 1930s.

3 'With the prospect of reduced resources and increasing demands upon them, the only way to maintain welfare expenditures at adequate levels is to require beneficiaries to pay for what they get.' Discuss.

4 '... a competitive economic system will not work efficiently unless the pursuit of self-interest is constrained by a moral code.' Discuss.

5 'The best way to cut unemployment is to cut wages.' Discuss.

6 Discuss critically Schumpeter's view that Ricardian economics represented an unfortunate detour in the development of economic analysis. (TURN OVER)

- 7 In comparing OECD countries with differing rates of growth of real GDP, how would you set about estimating the extent to which the differences were due to differences between them in the rate of capital accumulation?
- 8 Explore the implications of the Government returning to the convention that its budget should normally balance.
- 9 'Long waves are undetectable empirically, uninteresting theoretically and irrelevant from a policy point of view.' Discuss.
- 10 Either (a) Discuss the nature and significance of models of optimum income taxation.  
Or (b) How would you determine a poverty line for the U.K.? Given such a poverty line, how would you determine whether poverty in the U.K. had increased or decreased during the decade of the 1970s? Pay attention to both conceptual and empirical issues in your analysis.
- 11 'Almost thirty years after its publication, the Lewis model of development still retains its theoretical, empirical and policy relevance.' Discuss.
- 12 'As a nation, we seem to be greeting the new technologies simultaneously with enthusiasm and dread.' What analytical issues are involved in evaluating and preparing for the new technologies?