

**University of Victoria
Department of Economics**

**Mid-Term Exam
Economics 337 S01–February, 2007**

Instructor: Malcolm Rutherford
Duration: 55 Minutes
Number of Pages: 1

Answers should be written in sentences and constitute a properly constructed answer to the question as asked.

Answer ANY TWO of the following questions:

1. Write a paragraph explaining each of the following concepts or issues:
 2. The bullionist and anti-bullionist positions in Mercantilism
 3. Hume's Specie Flow Mechanism argument against Mercantilism
 4. Adam Smith's criticisms of Mercantilism
 5. Adam Smith's "System of Natural Liberty"
2. Outline in detail the Physiocratic notion of the natural order and the economic analysis contained in the *Tableau Economique*. Briefly discuss the system of the Physiocrats as a criticism and reaction against Colbert.
3. What factors did Adam Smith think were of most importance in determining the wealth of a nation? How do these factors interact? What are the main barriers to growth according to Smith?
4. Why did Smith think that "use values" could not explain exchange values? Explain Smith's theory of exchange value and outline his analysis of market and "natural" price. What factors might result in a price permanently above the natural price?
5. What did Malthus find so objectionable in the work of Godwin? Carefully explain Malthus's own treatment of population and food supply. Outline the nature of the later Classical debate over population theory.

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