

PRELIMINARY EXAM

Please answer **FOUR** of the following eight questions, including at least one from each of the three Parts.

Part A (answer at least one)

1. The Malthusian world is also a Darwinian world. Explain why this should be true in theory. Is the empirical evidence consistent with this?

2. Institutions are just the sets of rules that govern interactions. In this case explain the circumstances in which societies can get stuck with inefficient institutions. Are there examples of such failures?

3. Economists and historians have often asserted that trade promotes growth in national product, or that growth in national product promotes trade.
(3A) For a national setting before 1800, can you identify a period in which trade promoted growth? Explain what change(s) in trade caused growth, and how you know this.
(3B) For a national setting before 1800, can you identify a period in which growth promoted trade? Explain what sources of growth caused trade to expand, and how you know this.

4. We usually think of textiles as a labor-intensive sector. Yet somehow India became a net importer of textiles from labor-scarce Britain in the nineteenth century. When and how did that happen? Why didn't India out-compete Britain in world markets?

Part B (answer at least one)

5. In 1850 many key economic, institutional, and demographic characteristics found in sections of the United States (and Canada) were far more conducive to modern economic growth than what existed in other parts of the United States and in most of the rest of the Americas. What were the differences and why did they exist?

6. Advocates of the induced innovation hypothesis have claimed the model does an excellent job in explaining the general pattern of American agricultural development. In light of what you know about relative factor price movements and the course of technological change, describe and evaluate the basic features of the model and the major claims of success?

Part C (answer at least one)

7. Capital does not flow very plentifully to poor countries today. Does this reflect (a) the poor countries' low productivity? (b) their distortions? (c) their weak institutions (country risk)? (d) other forces? Discuss. Contrast with conditions in the 1870-1914 era.

8. "Fixed exchange rates (and the gold standard) have promoted trade." Discuss.