

SECTION B

Answer any **TWO** of the following **THREE** questions. Each question carries 25 marks. A total of 50 marks can thus be earned in this section.

- 1 Write an essay on Ricardo's theory of rent, in which you pay attention to:
 - the concept of rent in general,
 - the role of the marginal principle in the theory,
 - why rent does not influence the price of agricultural goods according to the theory,
 - how the theory forms the basis for Ricardo's opposition to the Corn Laws,
 - the extent to which rent can be regarded as "unearned" income, and
 - some possible criticisms of the theory.

2. Write an essay on Marx's theory of exploitation, in which you pay attention to:
 - the distinction between labour power and labour time,
 - the distinction between "live" labour and "dead" labour,
 - the concept of socially necessary labour time,
 - the concepts of surplus value and the rate of exploitation,
 - why an increase in capital intensity of production lowers the profit rate according to Marx's theory, and
 - some possible criticisms of the theory.

3. Write an essay on the economics of John Stuart Mill, in which you pay attention to Mill's ideas on.
 - what does, and what does not, set a limit on increasing production,
 - the wages fund,
 - the dynamics of the economy and, more in particular, why Mill was optimistic about the future in spite of expecting a falling profit rate,
 - the role of government

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2 Write an essay on Marx's theory of exploitation, in which you pay attention to:

- the distinction between labour power and labour time,
- the distinction between "live" labour and "dead" labour,
- the concept of socially necessary labour time,
- the concepts of surplus value and the rate of exploitation,
- why an increase in capital intensity of production lowers the profit rate according to Marx's theory, and
- some possible criticisms of the theory

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3 Write an essay on the economics of John Stuart Mill, in which you pay attention to Mill's ideas on

- what does, and what does not, set a limit on increasing production,
- the wages fund,
- the dynamics of the economy and, more in particular, why Mill was optimistic about the future in spite of expecting a falling profit rate,
- the role of government.

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ROUGH WORK

