

Economic Classicism

- I. Choose the right variant:
1. The economic classicism manifested:
 - a) by the end of the 18th century
 - b) by the end of the 19th century
 - c) at the beginning of the 20th century
 - d) in the mid of the 20th century
 2. It is not a promoter of economic classicism:
 - a) John Stuart Mill
 - b) Thomas Malthus
 - c) John Hicks
 - d) David Ricardo
 3. The pioneer of economic classicism is:
 - a) David Ricardo
 - b) Thomas Malthus
 - c) Jean-Baptiste Say
 - d) Adam Smith
 4. The classical theory of value states that:
 - a) the value of a product is given by the total amount of capital factor needed for its production

- b) the value of a product is given by the total amount of labour factor needed for its production
 - c) the value of a product is given by the total amount of production factors needed for its production
 - d) the value of a product is given by its utility for the target consumers
5. Choose the right variant:
- a) the classical economists have launched the law of markets, focussing on the supply side
 - b) the classical economists have launched the law of markets, focussing on the demand side
 - c) the neoclassical economists have launched the law of markets, focussing on the supply side
 - d) the neoclassical economists have launched the law of markets, focussing on the demand side
6. The initiator of the classical law of markets was:
- a) Thomas Malthus
 - b) Adam Smith
 - c) David Ricardo
 - d) Jean-Baptiste Say
7. The classical law of markets, suggests that:
- a) supply creates its own demand
 - b) not everything produced in an economy will be sold
 - c) demand creates its own supply
 - d) none of the above-mentioned
8. According to the classical conception:
- a) markets self-adjust, based on a consistent state intervention in economy

- b) markets self-adjust, without needing a consistent state intervention in economy
 - c) markets self-adjust, based on a consistent monetary authority intervention in economy
 - d) markets fail in self-adjusting
9. The classical perspective regarding the unemployment level on the equilibration of markets is as follows:
- a) the equilibration of markets occurs at full unemployment
 - b) the equilibration of markets occurs at zero unemployment
 - c) the equilibration of markets occurs at a natural rate of unemployment
 - d) the equilibration of markets occurs at a high rate of involuntary unemployment
10. The theory of absolute advantage was launched by:
- a) Adam Smith
 - b) John Stuart Mill
 - c) John Maynard Keynes
 - d) David Ricardo
11. The theory of absolute advantage refers to:
- a) the ability to produce a good/service at a lower opportunity cost
 - b) the ability to produce a greater quantity of a good/service than competitors, while using the same amount of resources
 - c) the ability to produce a good/service at a higher opportunity cost
 - d) the ability to produce a greater quantity of a good/service than competitors, while using different amounts of resources

12. The theory of comparative advantage was launched by:
- Jean-Baptiste Say
 - John Stuart Mill
 - John Maynard Keynes
 - David Ricardo
13. The theory of absolute advantage refers to:
- the ability to produce a good/service at a lower opportunity cost
 - the ability to produce a greater quantity of a good/service than competitors, while using the same amount of resources
 - the ability to produce a good/service at a higher opportunity cost
 - the ability to produce a greater quantity of a good/service than competitors, while using different amounts of resources
14. According to the classical conception:
- prices are flexible, being quickly adjustable to the market related conditions
 - prices are sticky, being slowly adjustable to the market related conditions
 - prices are flexible, being slowly adjustable to the market related conditions
 - prices are sticky, being quickly adjustable to the market related conditions
15. The classical economists considered that:
- any shift in the level of prices determines a quick adjustment of the supply of goods and services
 - any shift in the level of prices determines a quick adjustment of the labour demand

- c) any shift in the level of prices determines the modification of the inflation rate
 - d) any shift in the level of prices determines the modification of the unemployment rate
16. The basic general equilibrium theory is specific to:
- a) economic classicism
 - b) neoclassicism
 - c) Keynesianism
 - d) neo-Keynesianism
17. The initiator of the general equilibrium theory was:
- a) Thomas Malthus
 - b) John Maynard Keynes
 - c) Franco Modigliani
 - d) Leon Walras
18. The neoclassical theory of value states that:
- a) the value of a product is given by the total amount of capital factor needed for its production
 - b) the value of a product is given by the total amount of labour factor needed for its production
 - c) the value of a product is given by the total amount of production factors needed for its production
 - d) the value of a product is given by its utility for the target consumers
19. The neoclassical economists considered that:
- a) markets fail in self-adjusting
 - b) markets self-adjust in the short run
 - c) markets self-adjust in the long run
 - d) markets are continuously self-adjusting

20. In opposition to the classical law of markets, the Keynesians suggests that:
- a) supply creates its own demand
 - b) not everything produced in an economy will be sold
 - c) demand creates its own supply
 - d) none of the above-mentioned
- II. Specify three economic classical theories contra-attacked by Keynesianism
- III. Reveal the basic concept differentiating economic neoclassicism from economic classicism
- IV. Explain in brief the classical quantitative theory of money
- V. Identify the most prominent personalities of the economic neoclassicism
- VI. Mention the main complex concept characteristic to the new classical economic theory

Keynesianism

- I. Choose the right variant:
 1. According to the Keynesian conception:
 - a) markets adjust based on a consistent state intervention in economy
 - b) markets self-adjust, without needing a consistent state intervention in economy
 - c) markets self-adjust, based on a consistent monetary authority intervention in economy
 - d) markets always fail in adjusting
 2. The Keynesian perspective regarding the unemployment level on the equilibration of markets is as follows:
 - a) the equilibration of markets occurs at full employment
 - b) the equilibration of markets occurs at zero unemployment
 - c) the equilibration of markets occurs at a natural rate of unemployment
 - d) the equilibration of markets occurs at a certain level of involuntary unemployment