



**Economics
Leaving Certificate
Higher Level**

**Past Exam Questions on
Economic Thinkers: Keynes, Marx, Smith...**

Q2 Section A 2013

2. Define the 'Marginal Efficiency of Capital' (MEC). Outline two possible reasons for a fall in MEC.

Definition: _____

Reason 1: _____

Reason 2: _____

(16 marks)

Q6 Section A 2013

6. Explain what is meant by the economic term 'Paradox of Thrift'.

(17 marks)

Q7 Section A 2013

7. Outline four contributions of Adam Smith to economic thought.

(i) _____

(ii) _____

(iii) _____

(iv) _____

(17 marks)

Q3 Part (d) Section B 2013

- (d) Explain briefly Karl Marx's economic theory about the exploitation of labour in a capitalist system.

(10)

Q8 Part (c) Section B 2012

- (c) The economist John Maynard Keynes, author of *The General Theory of Employment, Interest and Money* (1936), supported the use of fiscal policy by Government to create full employment.
- (i) Explain the above statement.
 - (ii) Discuss two other key concepts which Keynes contributed to economic thought. (25)

Q6 Part (c) Section B 2010

- (c) The economist Milton Friedman was regarded as one of the major thinkers of the monetarist school of economic thought.

Outline four features of 'Monetarism'.

(20 marks)

Q4 Part (b) Section B 2009

- (b) Keynes' concept of 'Liquidity Preference' is based on three reasons why people desire to hold wealth in money form.
- (i) State and explain each of these reasons.
 - (ii) Discuss the effect a fall in interest rates is generally expected to have on each of these reasons.

(30 marks)

Q7 Part (c) Section B 2009

- (c) Write a brief note on David Ricardo's contributions to economic thought.

(15 marks)

Q4 Part (a) Section B 2007

4. (a) Free Enterprise (Laissez Faire) and a Command Economy (Central Planning) are examples of economic systems.
- (i) Explain each of the underlined terms.
 - (ii) In relation to any **ONE** of the economic systems above, outline **TWO** possible economic advantages and **TWO** possible economic disadvantages. *(25 marks)*
- (b) (i) 'The Irish Economy can be described as a **Mixed Economy**'. Outline **FOUR** examples of economic activity in the Irish economy to support this view.
- (ii) Do you consider that the Irish economy is moving towards more free enterprise or towards more central planning in recent years? Explain your answer, using appropriate examples. *(30 marks)*
- (c) In the case of any **TWO** of the following economists, outline **TWO** contributions which each one has made to the development of economic ideas:
- Adam Smith; Alfred Marshall; John Maynard Keynes; Milton Friedman. *(20 marks)*

Q3 Part (c) Section B 2006

- (c) (i) State and explain Keynes's **THREE** motives for holding money.
- (ii) Explain, with the aid of a diagram(s), Keynes's theory on the relationship between the holding of money and the rate of interest. *(25 marks)*

Q5 Part (a) Section B 2006

5. (a) Among Adam Smith's contributions to economic thought, was his **Canons of Taxation**.
- (i) State and explain Adam Smith's **FOUR** Canons of Taxation.
 - (ii) Do you consider that these Canons are useful for analysing the taxation system in Ireland today? Justify your answer. *(25 marks)*