PRIFYSGOL ABERYSTWYTH UNIVERSITY

ARHOLIADAU EXAMINATIONS

SEMESTER TWO EXAMINATIONS, 2026

ABERYSTWYTH BUSINESS SCHOOL

MAE MODD I FYFYRWYR GYFLWYNO ATEBION I'R PAPUR HWN NAILL AI YN Y GYMRAEG NEU'R SAESNEG
STUDENTS MAY SUBMIT ANSWERS TO THIS PAPER IN EITHER WELSH OR ENGLISH

AB33320 History of Economic Thought

Time allowed: ***3 hours***

Answer THREE questions. Answer at least ONE question from Section A and at least ONE question from Section B.

CALCULATORS ARE PERMITTED (Casio FX83 or FX85 models only)

Once seated, students may complete the front cover of the answer book(s) and the attendance slip ONLY.

DO NOT TURN THE EXAMINATION QUESTION PAPER OVER UNTIL INSTRUCTED TO DO SO.

Section A:

Question 1:

Outline two economic ideas, concepts or theories that have been an important part of the history of economic thought, but have **failed to** become part of modern mainstream economic thinking. Explain your answer. (100 marks)

Question 2:

Outline the main ideas espoused by the Austrian School of Economics and explain how they depart from the neo-classical view. (100 marks)

Question 3:

Outline the main ideas of Institutional Economics. Distinguish between Old Institutional Economics and New Institutional Economics.
(100 marks)

Section B:

Question 4:

a) Discuss the political macroeconomic view on Business Cycles (30 marks)

b) Discuss Nordhaus's opportunistic model of the business cycle (70 marks)

Question 5:

a) Explain what a Business Cycle is and discuss the Business Cycle stylized facts (40 marks)

b) Discuss the New Keynesian model and its conclusions regarding stabilisation policy (60 marks)

Question 6:

a) Discuss the key assumptions underpinning the Real Business Cycle (RBC) model (50 marks)

b) Discuss the impulse and propagation mechanisms according to the RBC model (50 marks)

END OF PAPER