

KISII UNIVERSITY

July 2022 SPECIAL EXAM Y1S2

BPPS 122: INTRODUCTION TO POLITICAL ECONOMY 3CF

2 Hours

Question one

- i. What do we mean by the term political economy 2 marks
- ii. **Adam Smith** is generally regarded as the father of political economy and of “classical” economics. Discuss 15 marks
- iii. Political economists assume everyone is interested in who gains and who loses from particular resources. Explain the tools of political economic behavior 10 marks
- iv. The field of political economy is the study of how economic theories such as capitalism or communism play out in the real world. Discuss 10 marks
- v. The political economy viewed broadly and being complex to different contemporary socio economic development writings, Discuss this statement in relation to Marxist political economy

Question two

- i. The school of thought in capitalism or communism remains the aim of understanding political institutions in the real world. Critique 10 marks
- ii. Differentiate between capitalism economy and socialism in political economic perspectives 5 marks

Question three

- i. Explain why **Marx** was correct when he claimed that classical economists failed to adequately explain **capitalist** profits? 10 marks
- ii. State the reason to us why political instability affects the economy 5 marks

Question four

- i. *Laissez-faire* is a more extensive form of free-market economy where the role of the state is limited to protecting property rights. Discuss 5 marks
- ii. State economic mechanisms for Welfare capitalism in Western countries 10 marks

Question five

- i. Discuss the relevance of Adam Smith's three natural laws of economics to contemporary development problems in the international system. 5 marks
- ii. State any reflections on the politics of planning in the Third World countries with regard to neo-classical theories 10 marks