

Objective Questions on Early Growth Theories

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Contents

- Includes Mercantilist, Physiocratic, Adam Smith, Keynesian, Marxian, and Endogenous Growth Theories

Question 1

- Who is considered the founder of Mercantilist growth theory?
- Answer: Thomas Mun

Question 2

- What is the key belief of Mercantilists regarding wealth?
- Answer: Wealth is measured by accumulation of gold and silver

Question 3

- Which economic theory emphasized agriculture as the source of wealth?
- Answer: Physiocratic growth theory

Question 4

- Who is the founder of Physiocratic growth theory?
- Answer: François Quesnay

Question 5

- What was the main economic model proposed by François Quesnay?
- Answer: Tableau Économique

Question 6

- According to Adam Smith, what drives economic growth?
- Answer: Division of labor and free markets

Question 7

- Which book by Adam Smith outlines his theory of economic growth?
- Answer: The Wealth of Nations

Question 8

- What does Keynesian theory of secular stagnation suggest?
- Answer: Persistent low demand leads to long-term economic stagnation

Question 9

- Who proposed the theory of secular stagnation?
- Answer: Alvin Hansen

Question 10

- What did Marxian growth theory emphasize?
- Answer: Class struggle and capital accumulation

Question 11

- According to Marx, what leads to economic crises?
- Answer: Overproduction and declining profits

Question 12

- Which theory suggests that technological progress drives growth?
- Answer: Endogenous growth theory

Question 13

- Who developed the endogenous growth model in 1980s?
- Answer: Paul Romer

Question 14

- Which Nobel laureate analyzed long-term economic growth trends?
- Answer: Simon Kuznets

Question 15

- What is the Kuznets Curve hypothesis?
- Answer: Economic growth initially increases inequality, then decreases it

Question 16

- Mercantilism promotes which type of trade policy?
- Answer: Protectionism and high tariffs

Question 17

- Physiocrats believed that wealth originated from?
- Answer: Agriculture and land

Question 18

- Adam Smith's invisible hand theory supports?
- Answer: Market self-regulation

Question 19

- Keynesianism argues that government intervention is?
- Answer: Necessary for economic stability

Question 20

- Marx predicted capitalism would?
- Answer: Collapse due to internal contradictions

Question 21

- Endogenous growth models focus on?
- Answer: Investment in human capital and innovation

Question 22

- Simon Kuznets' research focused on?
- Answer: National income and economic growth patterns

Question 23

- What is the main limitation of Mercantilist theory?
- Answer: Ignores the benefits of free trade

Question 24

- Physiocrats opposed which economic policies?
- Answer: Government intervention and mercantilism

Question 25

- Adam Smith criticized which economic system?
- Answer: Mercantilism

Question 26

- Which factor did Keynes highlight as crucial for growth?
- Answer: Aggregate demand

Question 27

- Marx argued that capitalism would lead to?
- Answer: Concentration of wealth and class struggles

Question 28

- Endogenous growth models emphasize the role of?
- Answer: Technology and knowledge

Question 29

- Kuznets' studies contributed to?
- Answer: Understanding income inequality trends

Question 30

- What was the primary goal of Mercantilist policies?
- Answer: Maximization of national wealth

Question 31

- Physiocrats introduced the idea of?
- Answer: Laissez-faire economy

Question 32

- Adam Smith's division of labor leads to?
- Answer: Increased productivity

Question 33

- Keynes suggested that in economic downturns, governments should?
- Answer: Increase public spending

Question 34

- Marxian theory argues that profits come from?
- Answer: Exploitation of labor

Question 35

- Endogenous growth models explain differences in?
- Answer: Long-term growth rates among countries

Question 36

- Simon Kuznets won the Nobel Prize for?
- Answer: Empirical research on economic growth and inequality

Question 37

- Mercantilists advocated for a?
- Answer: Trade surplus to accumulate wealth

Question 38

- Physiocrats viewed taxation of land as?
- Answer: The fairest form of taxation

Question 39

- Adam Smith's concept of absolute advantage relates to?
- Answer: International trade specialization

Question 40

- Keynesian economics suggests high unemployment requires?
- Answer: Government fiscal policies

Question 41

- Marx's theory of surplus value explains?
- Answer: How capitalists profit from labor

Question 42

- Romer's endogenous growth theory includes?
- Answer: Research and development

Question 43

- Kuznets' work led to the creation of?
- Answer: National income accounting systems

Question 44

- Who opposed mercantilist policies?
- Answer: Adam Smith

Question 45

- What economic theory was dominant before classical economics?
- Answer: Mercantilism

Question 46

- Physiocrats supported free trade because?
- Answer: They believed in the natural order of economics

Question 47

- Keynes' theories became popular after?
- Answer: The Great Depression

Question 48

- Marx's theory influenced which political system?
- Answer: Communism

Question 49

- Endogenous growth theories criticize neoclassical models for?
- Answer: Ignoring technological change sources

Question 50

- Kuznets' analysis revealed trends in?
- Answer: Economic growth and structural change