

The structure of the exam is broadly the same for Methods A and B, as it was explained in a special lecture.

**Example for Question for Part I
(Meth A 1Question, 7 pts; Meth B 1Q, 6 pts)**

Consider the following data on two sectors of the English Economy in 1700 and 1820:

Real Output per Worker (1700 = 100)

	1700	1760	1820
Agriculture	100	140	170
Industry	100	120	217
Days worked	100	114	132

Source: Broadberry et al., Tabela 9.09
Nota: data from c. 1820 extrapolated from close dates.

Of the various theories designed to explain the start of modern economic growth, which one fits these data better?

A good answer had to test the theories with the data given, with arguments

Thus,

- *Industrious and Industrial Revs compatible with productivity growth occurring across the sectors and increasing days worked, but difficult to explain the higher growth of industry after 1760*
- *Industrial Rev. compatible with slow productivity growth between 1650-1700, but difficult to reconcile with increasing working days*

**Example for Question for Part II
(Meth A 2Q, 5 pts; Meth B 3Q, 6 pts)**

Consider the following table relative to two groups of market economies and answer the question below.

Inflation Rates in some CAEs (averages of three countries)

	Germany, Japan and Switzerland	Finland, France and Italy
1973-74	12.1	13.3
1975-81	4.8	12.6
1981-86	2.6	7.8

Source: Official National Statistics.

What differences explain the different results obtained by the two groups in the period considered?

A good answer had to indicate that Germany, Japan and Switzerland followed a set of policies aimed at controlling inflation and state spending simultaneously, whereas the other countries took an alternative set of policies. In the 1980s, the latter copied the former in following business-friendly measures.

Examples for Questions for Part III (10Q; 8 pts)

Examples taken from Assessments

Only one of the following statements is CORRECT. Which is it?

- a) “The competition between Ford and Sloan provides an excellent example of the superiority of centralized decision-making.”
- b) “Assembly lines involve combining within one big firm all the diverse elements involved in the production of cars: engine and parts manufacturers, chassis works, body companies, and assemblers”.
- c) “Sloan failed to see that marketing could be just as important to success as manufacturing”.
- d) “The multidivisional structure allowed for larger companies to create incentives for numerous managers to cooperate”.

“Globalization became complete circa 1870”. Is this statement correct?

- a) No: country specialization had started earlier in the century.
- b) Yes: country specialization was only completed in the 1870s, when railways and steam navigation were introduced in all major trade routes.
- c) Yes: the introduction of the gold standard allowed developed countries, like USA, the UK and France, to finally initiate capital flows.
- d) Yes: this was when the institutional conditions for countries with lower returns of investment to export capital emerged.

The expected outcome of the agreements between workers and business leaders was that

- a) Capitalists increasing profits, as workers exercised wage restraint.
- b) Profit moderation allowed for wage increases above productivity gains.
- c) Capitalists and workers increasing dividends and wages.
- d) Helping European firm to remain competitive and innovative, despite high employment levels.