Exam 2 Review

What Material Does Exam 2 Cover?
Solving the equations needed to fully describe string theory, then explaining the results in fluent Nahuatl, the language of the ancient Aztecs.

What's the format of Exam 2?
Attempting to solve a rubics cube while blindfolded and immersed in a pool with hungry piranhas and lots of blood in the water
Objective Section: ≈ 70 points, short answer, multiple choice, etc.
Essay: ≈ 30 points. Choose 1 of 2 essays.

What are the “objective” questions like?
Death by fire ants
The objective questions tend to test your breadth of knowledge more than your in-depth analysis of the causation.
The objective questions are, in some instances, rather antiquarian. They often test your knowledge of the particulars of economic history.
Look at the study questions posted on the web site
Look over your class notes and handouts. I use the objective section to test your breadth of understanding.

What are the essay questions like?
A nice dip in a pool of rubbing alcohol after you’ve had the entire outer layer of your skin, the epidermis, removed with sandpaper.
Look over the list on the next page. I will choose 2 questions from the 8 shown. You will have to answer 1 of the 2 questions.
Essay Study Questions: I will choose 2 of from the following 8 essays. You will have to answer 1 of the 2 (your pick). I may make minor changes to the questions that follow, but only minor changes.

1. What are the major problems a society faces in channeling savings into investment? What systems did Europe evolve (between about 1000 and 1850) to overcome (or at least reduce) these problems?

2. Briefly, describe how the inheritance system in the Muslim world differed from that of Western Europe. Briefly describe how and why the different inheritance systems may have affected the relative rates of economic growth of the two regions. Finally (and not briefly), describe some arguments as to why the inheritance system of the Muslim world differed from that of Western Europe.

3. What organizational structure, allowed under Islam, does Timur Kuran argue offered a long-term way of keeping large amounts of assets together? Briefly describe this organization. How did this compare to forms evolving in Europe that also offered a long-term way of keeping large amounts of assets together? Why did this (Muslim) organizational form evolve (or not evolve) the way it did?

4. Describe the evolution of the Joint Stock Company, and later the Corporation, in Western Europe.

5. Why, according to Timur Kuran, did the Muslim world fail to develop modern Joint Stock Companies and Corporations until long after Europe did?

6. • How, according to Persson, did population growth affect development during the eras before modernity?
   • How does Persson’s view on population compare with other views (namely the older and more traditional view) of population during the eras before modernity?
   • Which of the differences between Persson’s view (or model) and the other model are the most important in explaining the different predictions of the two models.

7. Draw and explain a graphical model of Persson’s “virtuous Cycle”. Explain why the curves are shaped as they are. Explain how and why the curves can shift. Illustrate an economy moving through the “virtuous cycle”. What is a historical example of an economy going through such a virtuous cycle?

8. Draw and explain a graphical model of Persson’s “vicious Cycle”. Explain why the curves are shaped as they are. Explain how and why the curves can shift. Illustrate an economy moving through the “vicious cycle”. What is a historical example of an economy going through such a virtuous cycle?