Exam 2 Review – Spring 2015

What Material Does Exam 1 Cover?
Random trivia from *Supernatural* and other TV shows with an audience of 12 or fewer people.
- The Champagne Fairs: Wikipedia article and class notes
- Hwala: Wikipedia article and class notes
- Lecture notes and handouts to accompany the above

What's the format of Exam 1?
Points are awarded based on how long you can keep your hand in a fire ant mound. Last year’s record was 12 minutes for 24 points + a 4 point bonus for achieving anaphylactic shock.
Objective Section: ≈ 70 points, short answer, multiple choice, etc.
Essay: ≈ 30 points. Choose 1 of 2 longer essays.

What are the “objective” questions like?
Getting your head stuck in a hole that leads to a den of rabid rats.
Look over your class notes, handouts, and the study questions posted to the web site. I use the objective section to test your breadth of understanding.

What are the essay questions like?
Finding out that TCU has lost any and all records of you ever attending. For that matter, the U.S. government, the state of Texas, your high school, etc. have no records of you ever existing. Heck! The people you call your parents don’t even recognize you. Your identity has been erased.
Look over the list below. I will choose questions from the list below.

Long Essay Study Problems: I will choose 2 of from the following 5 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. Give a brief history of the Champagne Fairs. Include information about when they were, where they were located and why, what was typically traded, and factors behind their rise and demise.
   - What instruments/systems/innovations were used at the Champagne Fairs that allowed merchants from far away to buy and sell goods? I am mostly interested in how a merchant could pay for items when he or she was far away from their home (base of operations).
   - What were the really cool rides at the Champagne Fairs? OK. I’m just kidding about this one.

2. Explain/illustrate how a bill of exchange works. You can use a 3-party bill of exchange for your example. Roughly (very roughly) when were bills of exchanged commonplace?
   - What problems do bills of exchange help merchants overcome? Explain your answer.
   - Assume the law prohibits one from profiting by giving money to those who aren’t your partner. This includes lending at interest or any other in which you give a person money one day and get back more money at a later date. How might this ban affect the frequency with which Bills of Exchange are used?

3. Explain/illustrate how a ban on usury will likely affect an economy’s long-run development path?
   - What paths did “Western Christendom” and the Islamic World take with regard to usury from about 900 CE to 1600 CE?
   - Why did the two regions above take different paths?

4. What are the characteristics of a “well-managed” public debt?
   - Why is a “well-managed” public debt important for an economy? Why are the above features important?
   - Note: The above two bullets are a bit more involved than they may first appear.

5. It is 1420 and you live in the Republic of Novgorod. This city-state, located north of Moscow, is pretty advanced for the day. They have a stable, yet restrained government in which an elected assembly (the Vetch) acts as a restraint on the monarch (the Prince of Novgorod). The government generally does a good job of protecting property rights. Both the Prince and the Vetch want to find ways the government can be a better borrower. You are charged with visiting two cities in Europe that have a “well-managed” public debt. You will then report back to Novgorod with ideas.
   - Which two cities will you visit?
   - What options/lessons can you learn from city one? Explain.
   - What options/lessons can you learn from city one? Explain.
   - If you really want to visit a third city, and add a few more options, that’s OK. I, however, am mostly looking for two cities.