

## MASTER'S DEGREE EXAMINATION: QUESTIONS IN ECONOMICS

### I Macroeconomics

1. Discuss the methods calculation of GDP, GNP and NNP. What do they measure?
2. Is GDP a good measure of social prosperity? Are there any other measures to assess prosperity?
3. Changes in the consumption volume in the economy: discuss different theories e.g. Keynesian theory, permanent income hypothesis or life cycle theory.
4. The impact of openness of the economy on the output volume and the volume of aggregate expenditure in the economy.
5. What is money? Discuss the functions and kinds of money.
6. The impact of the central bank interest rate policy on expenditure in the economy? What is the goal of this policy?
7. Kinds of unemployment. What can be done to reduce different kinds of unemployment?
8. Discuss the Classics' and Keynesians' opinions on unemployment, its reasons and ways to fight it.
9. Discuss the major features of IS/LM model. How is it used?
10. Present possible effects of budgetary/fiscal policy in the closed economy on the basis of the IS/LM model.
11. Discuss possible effects of the money/monetary policy in the closed economy on the basis of the IS/LM model.
12. Discuss the AD/AS model. How is it used?
13. Discuss the reaction of the economy to the supply shock on the basis of the AD/AS model.
14. Discuss the reaction of the economy to the demand shock on the basis of the AD/AS model.
15. Describe the business cycle in the economy and explain its mechanism.
16. Present the Phillip's curve and the discussion on the interdependencies it describes.
17. What is stagflation? Discuss the reasons according to the AD/AS model.
18. Both inflation and unemployment are peculiar economic diseases. Which of them is, in your opinion, more serious and acute?
19. The impact of expectations on the behaviour of economic entities. Rational expectations hypothesis.
20. Present major social advantages resulting from foreign trade operations.
21. Should the state protect the domestic market against foreign goods: present arguments for and against.
22. Characterise balance of payments and describe its basic parts.
23. Discuss the impact of changes in the exchange rates on the economy.
24. Present different exchange rates: nominal, real or based on the purchasing power parity.
25. Discuss the effects of restrictive budgetary/fiscal policy in the open economy.
26. Discuss the effects of expansive money/monetary policy in the open economy.
27. Budget deficit and the ways to finance it. Public debt limitation.
28. Define economic growth and discuss the way to measure it.
29. Present the basic factors of economic growth, discuss a selected model.
30. Discuss major barriers to economic growth.
31. Discuss the methods of effecting the economic growth by the state and present their possible effects.

## **II Microeconomics**

32. Optimal consumer choice: indifference curve model.
33. Price and income elasticity of demand as instrument to analyse consumer behaviour on the product market.
34. Substitution and income effect. Compensated demand function.
35. The advantages and disadvantages of scale in production.
36. Functions of production. Isoquant.
37. Short and long term functions of production costs.
38. Costs from accounting and economic perspectives.
39. Comparative analysis of perfect competition and full monopoly.
40. Maximisation of profit of a perfect competition firm in the short and long run. Company production and demand for variable production factor in optimum point.
41. Company and industry equilibrium on a perfect competition market in the short and long run.
42. The volume of output maximising profit and decisions on employment of factors of production in monopoly. Social cost of utilisation of monopoly power.
43. Price diversification in monopoly and methods to set prices by a monopolist.
44. Oligopolistic competition, the Cournot and Stackelberg model. Cartel as an example of strategic behaviour of economic entities.
45. Monopolistic competition: maximisation of profit in the short and long run.
46. Demand for factors of production. Equilibrium on the factor market in the condition of perfect competition, monopoly and monopsony.
47. Household as labour supplier. Labour volume supply and pay changes.
48. Labour demand and supply, equilibrium on the labour market in the condition of perfect competition, monopsony and with trade unions present.
49. Intertemporal consumer choice model. Distribution of savings and consumption in time. Impact of interest rate changes on decisions made by households.
50. The impact of risk and uncertainty on household decisions and the insurance market.
51. Inefficiency of market mechanism and public sector decisions.
52. Natural monopoly. Justification for natural monopoly regulation.
53. Time value of money.
54. External effects and public goods to exemplify market unreliability.
55. Economic reasons for international exchange.
56. Producer's strategic behaviour on the oligopolistic market: price and non-price decisions.
57. The impact of asymmetry of information on decisions made by business entities: negative selection, temptation to abuse (moral risk), principal-agent problem.
58. Application of game theory to analyse strategic behaviour. Nash equilibrium. Prisoner's dilemma.
59. General equilibrium theory.
60. Pareto optimality.
61. Optimum consumer choice in different preference layouts.

References:

*Basic:*

1. D.Begg, R.Dornbusch, S.Fisher, *Ekonomia* Vol..2. PWE, numerous editions.
2. E.Czarny, *Mikroekonomia*, PWE, Warszawa 2006.
3. E.Czarny, E.Nojszewska, *Mikroekonomia*, PWE, Warszawa 2000.
4. D.Laidler, S.Estrin, *Wstęp do mikroekonomii*, Gebethner i Ska, Prentice Hall 1991.
5. M.Rekowski, *Mikroekonomia*, WROKOPA Sp. z o.o., Poznań 2005.
6. P.Samuelson, W.Nordhaus, *Ekonomia*, PWN, Warszawa 1995.
7. R.Hall, J.Taylor, *Makroekonomia*, PWN, Warszawa 2002.

*Supplementary:*

1. B. Snowdon, H. Vane, P. Wynarczyk, *Współczesne nurty teorii makroekonomii*, PWN, Warszawa 1998.
2. H.Varian, *Mikroekonomia: kurs średni – ujęcie nowoczesne*, PWN, Warszawa 2005.
3. Other books on micro- and macroeconomics at the intermediate level, also in English and German.