Examination Questions: Economics and Public Finance, Saturday Afternoon, November 18, 1933

Michigan State Board of Accountancy

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Economics and Public Finance
SATURDAY AFTERNOON, NOVEMBER 18, 1933

Question 1:

Bowers and Roundtree define economics as "the social science that deals with human interests from the standpoint of price." Explain the points involved in the definition.

Question 2:

From the economic angle alone, should the United States recognize Russia? The volume of our trade with Russia in 1931 was a hundred and thirty-eight and three quarter million dollars, during the first half of 1933 seven and a half million dollars. Claims of the United States Government and its citizens against Russia and its people are nearly six hundred million dollars with counter claims advanced by Russia of nearly two hundred million dollars.

Question 3:

Some one has said, "Nothing should be done by man which can be done by a machine." Another writer has proclaimed that "The displacement of labor by machines has resulted in an improvement in processes which 'threw men out of work.'" Discuss the economic effect of what is usually described as the Machine Age.

Question 4:

Explain the statement of R. G. Tugwell that, "The depression of 1929 can be described as a stoppage of industrial operations to permit consumers' purchasing power to rehabilitate itself."

Question 5:

If all workers in a given line of employment in the United States were equally efficient, should each receive the same wage?
Question 6:

Explain the statement that, "Credit is the mechanism by which all forms of wealth may be coined into dollars and put to work."

Question 7:

Discuss the productivity, abstinence and time-preference theories of interest.

Question 8:

Explain the methods by which we arrive at a competitive price, a controlled price, and a fixed price.

Question 9:

Discuss the statement of Neil Carothers, Professor of Economics, Lehigh University, that "Prosperity is always greatest in times of greatest productivity, misery in times of lowest production; shorter hours and higher wages have been wholly a result of economic improvement and never a cause. They flow from increased production."

Question 10:

Explain the economic principle involved in the plan of the Agricultural Adjustment Administration.