Economic History Comprehensive Exam, April 21, 2017
UCLA Department of Economics
Profs. Leah Boustan and Michela Giorcelli

You have three hours to complete the exam. It is open book and open notes. You cannot email/message/text during the exam. Please answer three of the six essay questions. Answers should be typed and sent by email to Chiara Paz (chiara@econ.ucla.edu) by 1pm.

1. In a series of recent papers, Raj Chetty and co-authors have argued that social mobility in the US is low compared to European countries and has changed little since the 1970s. Describe three approaches used by economic historians to extend our knowledge about social mobility in the US back to the nineteenth and early twentieth centuries. Taken together, what general trends emerge from these papers about the patterns of social mobility over US history. Are the approaches used in these papers to measure social mobility generally convincing and how might they be improved in future work?
2. The Malthusian theory of economic growth is based on three hypotheses. Please enumerate each. Then, with the help of a graph, describe how the income per capita in equilibrium is determined in this model. Is the available evidence supportive of the predictions of this theory for the period prior to the Industrial Revolution? What the help of a graph, explain what impact an event like the Black Death should have had on the European economy, according to the Malthusian theory? Is this prediction what happened in Europe before the Industrial Revolution or is there evidence that Europe escaped the Malthusian Trap even before the Industrial Revolution?
3. Financial development can affect economic growth by lowering the cost of capital. At various points in US history, the financial sector was subject to regulations that may have constrained access to capital. Describe two such episodes and a paper (or papers) that have provided evidence on the effect of these regulations on firm activity and investment. Taken as a whole, is there evidence that US growth was slowed by weak financial development?
4. Economic historians have long speculated on why the (first) Industrial Revolution happened first in Britain. Explain two different theories that provide an answer to this question and explain which you find most compelling, given the evidence. What does this theory imply about why the Industrial Revolution did not happen in China?
5. The classic view of the US growth experience in the twentieth century is that a golden age of productivity (1920-1970) was followed by three decades of productivity slowdown. Use evidence from economic history, including the agricultural sector, the manufacturing sector, and more recent advances in communication and information technology, to defend or refute this understanding.
6. During the 19th century, the Western world economies started growing rich: this created a wedge in income per capita with the rest of the world. This phenomenon is known as the Great Divergence. Discuss the ultimate causes of the Great Divergence. The wedge between the developed and developing countries has been increasing over time. Speculate on why developing countries are not catching up.