

# American Economic History

## Problem Set V: Exam Questions

2018-04-22

**Two-sentence IDs: what is it, and why does it feature in American economic history?**  
(exam will offer you a choice to do 10 out of 15):

Caravel

Cuzco

DARPA

Free Silver

Woodrow Wilson

Lowell, MA

Potosi

Sherman Act

Smallpox

Triangle trade

**One-paragraph short answers: What is this concept or idea and why is it an important aspect of American economic history? (exam will offer you a choice to do 4 of 6):**

Why is the transistor an important technology for American economic history?

What was the Missouri Compromise? Did it play an important role in American economic history? If so, what was its role? If not, why not?

What role has Eli Whitney's idea of "interchangeable parts" played in American economic history?

In what ways might American economic history have been different if Native Americans had been exposed to smallpox before 1492?

**Brief essay (exam will offer you a choice of 1 of 2**

Suppose that you had learned this morning that one of your housemates is enrolled in Economics 113 but has never been to a single lecture or read a single reading. What would you have told them about American economic history this morning to give them the best chance of not failing this exam?

## Calculations

In 1945 manufacturing employed 30% of American workers and manufacturing products amounted to 40% of GDP. Since then the productivity of manufacturing workers has increased 1% per year faster than the average while the real share of output that is manufacturing has remained the same. If this productivity increase were the only important factor, what do you think the share of employment in manufacturing would have been in 2017? What do you think the share of employment in manufacturing will be by 2089?

U.S. annual GDP in 2007 was \$15 trillion, and the U.S. was at full employment. Between 2007 and 2009 the negative demand shock of the financial crisis put \$1 trillion of downward pressure on real GDP. If the Keynesian multiplier were 2 and if fiscal stimulus via expanded government purchases were the only factor cushioning this shock, and if the objective of policy was to keep the U.S. at full employment, how large a boost to government purchases ought to have been undertaken in 2009?