

STUDY QUESTIONS FOR RICARDO - DISTRIBUTION

CHAPTER 5: WAGES

1. What is the likely trend over time of the money wage rate?
What are the causes of this trend?
2. What is the likely trend over time of the real wage? What are the causes of this trend?
Contrast with Smith's theory of the trend of real wages.
3. What is the key difference between a rise of wages and a rise of rent?
4. Summarize Ricardo's critique of the Poor Laws.

CHAPTER 6: PROFITS

1. What is the likely trend over time of profits? What are the causes of this trend?
Contrast with Smith's theory of the trend of profits.
2. How can the trend discussed in (1) be offset?

CHAPTER 2: RENT

1. Summarize Ricardo's theory of rent. (This is complicated, based on different fertilities of land and different capital intensities. Do the best you can.)
2. How is the price of agricultural goods determined?
3. What are the likely trends over time in the price of agricultural goods and the share of rent in total income? What are the causes of these trends?
4. How can the trends discussed in (3) be offset?
5. What are the two ways in which productivity-enhancing technological change in agriculture results in a loss of income for landlords?