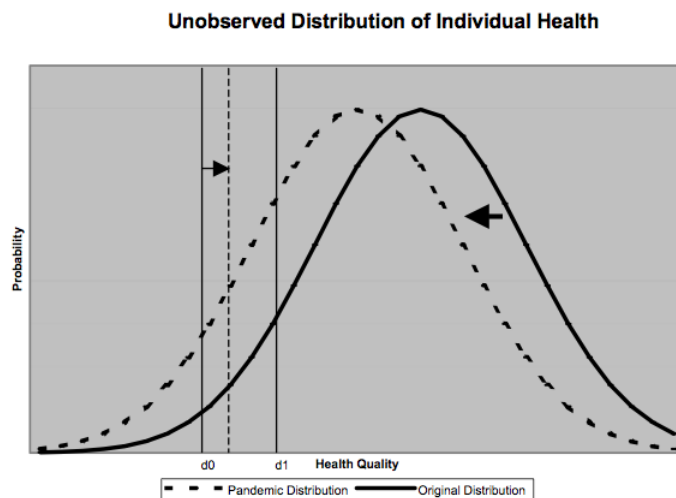


## Final Exam for Graduate U.S. Economic History, Fall 2013

**Short Answer:** Please answer all FOUR of the questions below.

1. (20 points) Answer the following questions about the Great Depression.
  - (a) Was the Great Depression initiated by a demand shock or a supply shock?
  - (b) Ultimately, deflation made the Great Depression so severe. Please explain how deflation worsened the Depression in as much detail as possible.
  - (c) Were monetary or fiscal factors responsible for ending the Great Depression? Please explain.
  
2. (20 points) Answer the following questions about Barry Weingast's article on 'Market Preserving Fiscal Federalism'.
  - (a) What are the five necessary components of Market Preserving Fiscal Federalism?
  - (b) Credibly constraining government from violating property rights is occasionally referred to as the 'Weingast Problem' in reference to his discussion of it in this article. Why is credibly constraining (federal) government from violating property rights so difficult to do?
  - (c) According to the article, what is the role of a constitution in achieving credible constraint?
  
3. (20 points) In his article on the 1918 influenza pandemic, Douglas Almond asks whether in-utero exposure to the influenza had a long-run impact on life-outcomes (health, employment, etc...). He motivates the worth of this question using the diagram below. Answer the following questions based on the Almond paper and the attached figure.



- (a) The figure shows a pre-influenza distribution of health as the solid line and  $d_0$  is the cut-off for survival (i.e. minimum health to live to adulthood). The diagram also shows two potential ways that the influenza could have increased mortality. What are these two ways?
- (b) Why does it matter for later life outcomes which of the two ways the influenza increased mortality in the figure actually occurred?

4. (20 points) Answer the following questions about the Bleakley and Ferrie article ‘Up from poverty? the 1832 Cherokee land lottery and the long-run distribution of wealth’.

- (a) What is the question the author’s set out to test in the article?
- (b) What do the author’s find?
- (c) Why is their study likely to be a rather clean one? In other words, we don’t expect their test of their question to suffer from bias due to unobservables – why?