

UNIVERSITY OF OSLO
DEPARTMENT OF ECONOMICS

Postponed exam: **ECON4921 – Institutions and Economic Systems**

Date of exam: Thursday, January 10, 2008

Time for exam: 09:00 a.m. – 12:00 noon

The problem set covers 1 page

Resources allowed:

- No resources allowed

The grades given: A-F, with A as the best and E as the weakest passing grade. F is fail.

Problem A (weight 2/3)

What do bureaucracies maximize (if anything)? Under which circumstances do bureaucracies tend to become too big or too small?

Problem B (weight 1/3)

Discuss the key challenges one faces in identifying the causal effect of institutions on economic performance.