

UNIVERSITY OF OSLO
DEPARTMENT OF ECONOMICS

Exam: **ECON4921 – Institutions and Economic Systems**

Date of exam: Thursday, November 29 **Grades will be given: December 17, 2007**

Time for exam: 02:30 p.m. – 05:30 p.m.

The problem set covers 1 page

Resources allowed:

- No resources allowed

Both problems should be solved. Problem A is given weight $2/3$ and problem B is given weight $1/3$.

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)

Discuss why some countries establish democratic institutions while others do not.

Problem B (weight 1/3)

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