

Written Exam at the Department of Economics summer 2017

Philosophy of Science

Final Exam

June 17 2017

(3-hour closed book exam)

This exam question consists of 2 pages in total, including this one.

NB: If you fall ill during the actual examination at Peter Bangsvej, you must contact an invigilator in order to be registered as having fallen ill. Then you submit a blank exam paper and leave the examination. When you arrive home, you must contact your GP and submit a medical report to the Faculty of Social Sciences no later than seven (7) days from the date of the exam.

Question 1

The so-called Washington Consensus reform agenda was (to some extent) based on imitating the competitive model taught in standard microeconomics. That is, the reform agenda aimed (to some extent) to turn developing countries into textbook cases of free-market economies. Use the insights in Dani Rodrik's book 'Economics Rules' to discuss whether this approach to economic reform is sound. (Hint: invoke issues of universal versus contingent nature of economic models, second best, and diagnostics in your discussion.)

Question 2

During the course we discussed that one of the aims of economics is the provision of explanations for social phenomena. What characteristics should a scientific explanation of a social phenomenon have? In connection to this, please explain the 'deductive-nomological model of explanation' and criticisms that have been raised in connection with it.

Karl Popper suggested that only stringent empirical tests can scientifically distinguish between valid and unwarranted models explaining a particular social phenomenon. Discuss Milton Friedman's point of view regarding the importance of empirical tests and what they should concentrate on. Furthermore, explain the two main criteria 'simplicity' and 'fruitfulness' which he suggested should be used in judging and choosing between different theories.

Question 3

During the course we talked about the problem of "false-positive" scientific findings. Discuss the problem of false positives in Economics (and/or other fields of science). Focus in particular on the following questions:

- What does the term "false-positive" finding mean?
- How can researchers' choices regarding their empirical analysis (the researchers' "degrees of freedom") give rise to false positives? Discuss (at least) 3 examples.
- Which institutional features of the academic system may intensify the false-positive problem in scientific publications? What are possible solutions to these institutional problems?