

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point on the assignment.

1) (40 points) The *Sogo Shosha* have a major impact on the Japanese economy. What is their greatest advantage and what is their greatest weakness? Do you think they are a net gain or a net loss to Japan? Explain your logic.

2) (20 points) Many people have said that the Japanese banking system needs to be reformed. What is the problem with it?

3) (20 points) The Japanese economy has been quite bad for about 10 years. (Although the latest statistics out this week show 4% real growth of GDP). If you were the Prime Minister, what one reform (other than banking reform), would you institute? Why would you do that?

4) (20 points) What is Japan's greatest economic strength? Explain why you singled out this aspect of its economy.