

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.

My home phone number has changed to 829-4348.

- 1) (20 points) What is the economic problem that prevents utopian societies from expanding beyond the size of a small town?
- 2) (30 points) According to the theory of modern socialism, there can be private property for small scale factors of production, but not for large scale factors of production. What is the economic reason for this dichotomy?
- 3) (30 points) It can be argued that the labor theory of value, as explained by Marx's *socially necessary labor*, is not always in contradiction to capitalism. Explain how they could be the same? Explain why they are normally different.
- 4) (20 points) It has been said that Karl Marx actually saved capitalism. Explain that logic.