

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) (30 points) Both Marx and Malthus explained why there was a subsistence wage. Explain the logic both of them used. Which do you think is more possibly accurate? Explain your logic.
- 2) (20 points) Marx's prediction that the economic crises would get worse over time, has turned out to be false. What economic or political factors did Marx fail to account for?
- 3) (30 points) What is the difference between socialism and the state-directed capitalism of Japan and South Korea? Why have the Japanese and South Korean economies grown greatly over the past 40 years, where countries favoring socialism failed to grow much or at all?
- 4) (10 points) Why was the distribution of income more equitable in countries favoring socialism than in capitalist countries?
- 5) (10 points) The Soviet Union rarely met the goals of its 5-year plans. Why do you think this occurred?