

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. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to follow these directions will cost you 1 point on the assignment and failure to type it will cost you 10 points.

1) (30 points) What is the biggest problem with pure capitalism that is solved by either socialism or communism? Explain why capitalism has that problem and how socialism or communism solves the problem.

2) (20 points) Do you agree with Marx's analysis of the labor theory of value? If yes, give some evidence. If no, then explain why you disagree.

3) (15 points) Marx predicted that the economic crises would get worse and worse. What happened that prevented his predictions from coming true?

4) (15 points) Some people credit Marx with saving capitalism. How could he do that?

5) (20 points) What is the greatest weakness of socialism? Why is that a big problem?