

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) (25 points) What was Russia's biggest economic mistake in the 1990's? Why was that a mistake? What should they have done? Why should they have done that?

2) (15 points) Why is privatization so hard for any government to do?

3) (15 points) Transitional economies tend to have high inflation. Why is this?

4) (15 points) Do you think Putin is helping or hurting the Russian economy? Explain your logic.

5) (30 points) What two examples of economic policies of Russia would you change? Why would you change them?