

Write your name on the cover of the test booklet and nowhere else. Enclose this sheet with the booklet. Failure to follow these directions will cost you 1 point. The test has 100 points (to be scaled up to 170 points) and is scheduled to take 50 minutes. Therefore, expect to spend 1 minute for every 2 points. For example, a 12-point question should take 6 minutes. I cannot give extra time because some students have a class after your class.

1) (14 points) Answer EITHER Part A OR Part B.

A) Which leader of the Soviet Union do you think deserves the most blame for its collapse? Explain why you chose that leader.

B) What aspect of Gorbachev's rule do you think Marx would have liked the most. Explain why you chose that.

2) (14 points) Answer EITHER Part A OR Part B.

A) When Russia went capitalistic, it wrote a lot of new laws. What were two of the most important laws? Explain why they had to be created.

B) Suppose you ruled a country which was going to switch from communist to capitalist. Suppose you decided to take a gradual approach. What would be the first step you would take? Explain your logic.

3) (16 points) Answer EITHER Part A OR Part B.

A) What is meant by *dialectic materialism*? Explain why this theory has some validity.

B) What was the *labor theory of value*? What is the biggest problem with it?

4) (18 points each) Answer TWO of the following questions.

A) Do you think Poland or Hungary will have the brightest future? Explain why you chose them and why you did not choose the other one.

B) If you were the head of the Polish government, what change would you make? Why would you make that change? Why would that have a positive effect on the economy?

C) If you were the head of the Hungarian government, what change would you make? Why would you make that change? Why would that have a positive effect on the economy?

5) (20 points) Answer EITHER Part A OR Part B.

A) Suppose you are a ruler of a country and you want to privatize a large, inefficient firm. You are trying to figure out whether or not you should allow foreign companies and citizens to buy the firms. What type of information would you want before you made that decision? Explain how you would use that information.

B) Marx thought that capitalism would do what to the pollution in the environment? Explain his logic. Why did the former communist countries have such a bad problem with pollution?