

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

1) (15 points) Which part of my web page, <http://mysite.bethanywv.edu/wcsaplar/> do you think will be most helpful? Why? Is anything missing that you would like to see? What is the URL for the first exam from this class during the last semester it was taught?

2) (15 points) Which part of the Economics Program's web page, <http://www2.bethanywv.edu/econ/> do you think will be most helpful? Why? Is anything missing that you would like to see? If you were a sophomore Managerial Economics major, then what courses does the program web page suggest you be taking this semester?

3) (20 points) Economics is described by some books as the "study of incentives." Given that, why do you think democracies tend to have a higher GDP per capita than totalitarian countries? Explain your logic.

4) (25 points) Enforceable property rights are important for helping an economy grow. There are several problems with having property rights that are not enforceable (your property can be taken at any time) or non-existent (fresh air). What is one problem caused by lack of enforceable property rights? What could the government do about that problem? Explain how that would reduce the problem.

5) (25 points) We say that a higher GDP per capita means the country is better off. However, studies of "happiness" find sometimes a poor country like Nepal is happier than a rich country like the USA. What is GDP per capita not considering? Why is that important?

The last page of the syllabus asks you to hand in your choices for the presentation. If you want, you can fill it in here:

Rank them from 1 (first choice) to 5 (last choice). You will be assigned countries from two different groups.

Group A

___ Germany 10/7
___ Japan 10/9 (before we finish discussing Germany)

Group B

___ Russia 11/6 (before we finish discussing transitional economies)
___ China 11/13
___ Czech Republic 11/20