

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) (25 points) What is the difference between the amount of government intervention in the Anglo-Saxon Model and in the European Model? When is the Anglo-Saxon Model more likely to work? (In other words, what type of market conditions does that model work better than the other model?) Explain your logic.
- 2) (25 points) What is the difference between who owns the majority of large and medium sized firms in the Anglo-Saxon Model and in the Asian Model? What advantage do you see for the Asian Model over the Anglo-Saxon Model? Explain your logic.
- 3) (25 points) Both the European Model and the Asian Model involve a lot of government intervention in the markets. How do they differ? In most cases, which do you think is better? Explain your logic.
- 4) (25 points) The public sector has greatly grown in size in the USA since the 1930s. There are both advantages and disadvantages of this growth. Explain both the good and bad aspects. Which do you think is bigger, the advantages or the disadvantages? Explain your logic.