

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) Marx talked about *dialectic materialism*. What does that mean? Why is that a problem for capitalism? Explain your logic.
- 2) (25 points) I discussed in class Marx's *Labor Theory of Value*. How would Marx use it to set prices? What is a problem with valuing products that way? Explain your logic.
- 3) (10 points) For the outcome of *efficiency*, is theoretical communism good or bad? Explain your logic.
- 4) (10 points) For the outcome of *stability*, is theoretical communism good or bad? Explain your logic.
- 5) (15 points) Some socialists and communists say that the government does not need prices to signal how much to produce of a good. What signals could they use instead? Explain how that would work.
- 6) (15 points) In a communist country, they have 1 year, 5 year, and 10 year plans. What is in each? Why are they in those plans?