

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) Explain Marx's "labor theory of value" and how he modified it. What are two problems with the modified theory? Explain your logic.
- 2) (15 points) How does theoretical communism do for the goal of *efficiency*? Explain your logic.
- 3) (10 points) The Wall Street Journal had an article on 10/26 about the cemetery which Marx is buried in. It charges a fee to get in. Some of Marx's fans think he would have hated that while others thought he would have liked it. Which side do you agree with? Explain your logic.  
<http://www.wsj.com/articles/death-to-capitalism-visitors-to-marxs-grave-balk-at-fee-1445818914>
- 4) (20 points) Theoretical communism has 1 year, 5 year, and 10 year plans. What types of decisions are made in each plan? Explain why those decisions are in those plans.
- 5) (10 points) Prices in communism do not send signals as to the market conditions. How do communist economies determine what they should produce more of and what they should produce less of? Explain your logic.
- 6) (20 points) What is the greatest problem facing theoretical communism other than *efficiency*? Explain why that is a big problem? (I don't want you to discuss efficiency because you did that in Question #2.)