

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 10 points. 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) Which of the three models of capitalism has the largest percentage of the large and medium size firms which are widely held? What is the greatest advantage of that system? Explain your logic. What is the biggest weakness of that system? Explain your logic.

2) (10 points) Is the European model more like what Smith or Hobbes described? Explain your logic.

3) (25 points) Which of the three models relies the most heavily upon loans for increasing the capital? What is the greatest advantage of that system? Explain your logic. What is the biggest weakness of that system? Explain your logic.

4) (15 points) From a theoretical view, do you think that a small government or a large government is best for capitalism? Explain your logic.

5) (25 points) Which of the three models relies the most heavily upon issuing stocks for increasing the capital? What is the greatest advantage of that system? Explain your logic. What is the biggest weakness of that system? Explain your logic.