

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) (10 points) Privatization has a general problem which occurs regardless of which method you use, other than giving it away. Explain the problem.
- 2) (20 points) One way to privatize a company is to sell it, but only allow citizens to buy it. What are one advantage and one disadvantage of privatize a company that way? Explain your logic.
- 3) (20 points) One type of law which must be written when transitioning from communism to capitalism is bankruptcy laws. Why aren't they need in communism? Why are they needed in capitalism? Explain your logic.
- 4) (15 points) Stalin did several things Marx would not have approved of. What is one thing he did which was an improvement over Marx's theories? Explain why that is an improvement.
- 5) (15 points) What was Lenin's New Economic Policy (NEP)? Do you think that was good for the economy or bad for the economy? Explain your logic.
- 6) (20 points) When the Soviet Union privatized some firms, they gave the company to the workers. What type of company did they do that with most commonly? Explain why it makes sense to do that with that type of firm.