

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) (20 points) One of the ways to privatize a company is to give it to the employees. When you would use that method? Explain why you would use it in that situation. Also give one weakness to that type of privatization and explain why it has that type of problem.
- 2) (10 points) When auctioning off a company, one problem is to determine the value of the company. Explain why that is hard to determine.
- 3) (25 points) When auctioning off a company, one decision which needs to be made is whether or not to allow foreigners to bid. What is one reason to include them? Explain your logic. What is one reason to exclude them? Explain your logic. Would you allow them to bid? Explain your logic.
- 4) (15 points) Do you think that Marx would have liked Stalin's rule over the USSR? Why or why not? Explain your logic.
- 5) (15 points) The Soviet Union made several changes from theoretical communism. What is one change which you felt was a good change? Explain your logic.
- 6) (15 points) Many things led to the fall of the USSR. Which cause do you think was biggest? Explain your logic.