

Write your name on the cover of the test booklet and nowhere else. Enclose this sheet with the booklet. Failure to follow these directions will cost you 1 point. The test has 150 points (to be scaled up to 180 points) and is scheduled to take 75 minutes. Therefore, expect to spend 1 minute for every 2 points. For example, a 12-point question should take 6 minutes. I cannot give extra time because some students have a class after your class.

1) (12 points) For EITHER the outcome of *economic growth* OR the outcome of environmental viability, is theoretical capitalism strong or weak on that outcome? Explain your logic using economic logic

2) (12 points) Answer EITHER Part A OR Part B.

A) Often, the USA does well at *creative destruction*. What does that mean and why is it good?

B) The USA has common law. What is the greatest advantage of that system?

3) (12 points) Answer EITHER Part A OR Part B.

A) What is the *mittelstand*? Do you think it is a net help or hindrance to the German economy? Explain your logic.

B) Germany is in the euro-zone. What does that mean? Why is that good for them?

4) (12 points) Answer EITHER Part A OR Part B.

A) What is one aspect of Confucianism which helps the Japanese economy? Explain your logic.

B) What do MITI and its predecessor METI do? Do you think that they are a net benefit or a net cost to Japan? Explain your logic.

5) (16 points) The Anglo-Saxon Model of capitalism diverges from theoretical capitalism in several ways. Some of these differences are helpful while others hold them back. For ONE of the differences which helps countries using the Anglo-Saxon Model, explain how it is better than theoretical capitalism. Give an example from any of the countries which fit the Anglo-Saxon Model in your explanation.

6) (16 points) The Asian Model of capitalism diverges from theoretical capitalism in several ways. Some of these differences are helpful while others hold them back. For ONE of the differences which hurts countries using the Asian Model, explain how it is worse than theoretical capitalism. Give an example from any of the countries which fit the Asian Model in your explanation.

7) (16 points) The European Model of capitalism diverges from theoretical capitalism in several ways. Some of these differences are helpful while others hold them back. For ONE of the differences which helps countries using the European Model, explain how it is better than theoretical capitalism. Give an example from any of the countries which fit the European Model in your explanation.

8) (18 points) Answer EITHER Part A OR Part B. USA vs Japan

A) The most common type of ownership of large companies is different in the USA and Japan. How are most large companies owned in the two countries? Which is better? Explain your

logic.

B) The Japanese economy has been struggling for a long time, but there are still aspects of their economy which it could help us if our economy was more like theirs. What aspect of the Japanese economy would the USA benefit from being more like? Explain how that would help our economy.

9) (18 points) Answer EITHER Part A OR Part B.

A) The relationship between the companies and the employees is different in the USA and Germany. Explain the relationship in both countries. Which do you think is better? Explain your logic.

B) The German economy is doing quite well, but there is always room for improvement. What aspect of the American economy could the German economy benefit from emulating? Explain your logic.

10) (18 points) Answer EITHER Part A OR Part B.

A) What is the biggest difference between the Japanese banking system and the German banking system? Which do you think is better? Explain your logic.

B) Do you think the Japanese economy or the German economy will do better in the long run? Explain your logic by mentioning two differences and how those differences will help the one economy and hurt the other.