

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.

Remember to fill out course evaluations.

1) (12 points) Answer EITHER Part A OR Part B.

A) Explain why Marx thought capitalism would fail.

B) In theoretical communism, what is the main type of incentive. Explain how that works.

2) (12 points) For EITHER the outcome of environmental viability OR the outcome of efficiency, is theoretical communism good at that outcome? Explain your logic.

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

A) If you were a leader of a country transitioning from communism to capitalism, how would you decide whether to make the transition quick or slow? Explain your logic.

B) If you were a leader of a country transitioning from communism to capitalism, what law would you change first? Why did you choose that law?

4) (12 points) Answer ONE of the following parts.

A) What was China's "spontaneous agriculture reform"? Why was it important?

B) Since Czechoslovakia split into Czech Republic and the Slovak Republic, which country has done better? Explain one reason why that country did better.

C) What was *glasnost*? How did it affect the economy of the USSR? Explain your logic.

5) (16 points) What do you think is the greatest weakness of the Czech economy? Explain how that hurts their economy.

6) (16 points) The USSR under Stalin diverged from Theoretical communism in several ways. What was one change Stalin made which helped their economy? Explain how it helped their economy.

7) (16 points) What is the greatest strength of the Chinese economy? Explain how that helps them.

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

A) The governments of the Czech Republic and Russia get the bulk of their income from different sources. What are those sources? Which is a better source for the long term? Explain your logic.

B) Did the Czech Republic or Russia have an easier transition from communism to capitalism? Give two aspects of their economy which resulted that country had an easier transition. Explain how it helped the country with the transition.

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

A) Does The Czech Republic or China have stronger anti-trust enforcement? Explain your logic. Is strong anti-trust good or bad? Explain your logic.

B) Does The Czech Republic or China have a stronger financial system? Give two arguments to support your view.

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

A) Would Marx have liked the USSR under Stalin or China under Mao better? Explain your logic pointing to one aspect of one country he would like and one aspect of the other country which he would dislike.

B) Which country, Russia or China, do you think will have a stronger economy in 20 years. Explain your logic citing two differences.