

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) Which part of my web page, <http://www.WCsaplárJr.info> do you think will be most helpful? Why? Is anything missing that you would like to see? What is the URL for the first exam from this class during the last semester it was taught? Suppose you were a sophomore Managerial Economics major, then what courses does the Economics Program suggest you be taking this semester? According to the boxes in yellow on my main page, which of the 25 most requested skills on LinkedIn are taught to our Economics majors?

2) (20 points) Economics is described by some books as the "study of incentives." Given that, why do you think egalitarian communes (where everybody earns the same income) rarely survive for more than one generation after they are formed? Explain your logic.

3) (20 points) Economics is described by some books as the "study of incentives." Given that, why do you think we spend a lot of time talking about property rights. Explain your logic. (You can discuss physical property rights like buildings, or intellectual property rights like patents.)

4) (20 points) The article below, goes through the reasons why Fitch and S & P have both downgraded the US government debt. There are multiple references to debt ceiling crises. If the government defaults on its debt, it can have a major negative impact on the economy in both the short-run and the long-run. Why would politicians on both sides risk that repeatedly? How does that relate to the *principal-agent problem*? Explain how their actions are explained by the *principal-agent problem*? <https://www.thetelegraph.com/news/article/us-losing-fitch-s-top-aaa-credit-rating-may-18289123.php>

5) (20 points) One big problem in economics is the problem of incomplete information. State how incomplete information can cause inefficient outputs to be made. Do you think this is a bigger problem in capitalism or communism? Explain your logic.

Either fill in this list below, or e-mail your preferences to me at WCsaplárJr@bethanywv.edu by 9:30 AM on Tuesday, August 29th. **Note that no student will be assigned to discuss a country they lived in for more than one year.** Rank them from 1 (first choice) to 5 (last choice).

Exam #2

_____	Russia	9/28
_____	China	10/3 (before we finish discussing Russia)
_____	Czechia	10/10 (before we finish discussing China)

Exam #3

_____	Germany	11/14
_____	Japan	11/16 (before we finish discussing Germany)