

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 I have a meeting after your class.

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

- A) Explain how Marx determined the value of a good. What is a problem with that method?
- B) Why did Marx predict the fall of capitalism? Explain his logic.

2) (12 points) For EITHER *economic growth* OR *economic stability*, is theoretical communism good or bad at that? Explain your logic.

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

- A) If you were in charge of transitioning from communism to capitalism, what law would you write first? Explain your logic.
- B) Whenever a country transitions from one economic system to another system, initially, the economy collapses. Why is that?

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

- A) Gorbachev started *glasnost* in the USSR. What was it?
- B) Czechoslovakia was part of the CMEA, a.k.a. COMECON. Do you think that helped their economy or hurt it? Explain your logic.
- C) Why did Chairman Mao's Great Leap Forward fail so badly? Explain your logic.

5) (16 points) Answer EITHER Part A OR Part B.

- A) China joined the WTO in 2001. How does that help the Chinese economy? Explain your logic. It also helps our companies. How does it do that?
- B) China has two types of stocks. One type is for foreigners and one for Chinese citizens. Explain the difference. Do you think that is a good policy? Explain your logic.

6) (16 points) Answer EITHER Part A OR Part B.

- A) What aspect, of the current Czech economy, do you feel is doing the worst? Explain what is happening in that part of the economy, and explain how that is holding them back.
- B) Czechia is doing much better than Slovakia. What are two reasons for that? Explain how they help the Czech economy.

7) (16 points) Answer EITHER Part A OR Part B.

- A) What part of the USSR do you feel that Marx would have disliked? Explain why you feel Marx would have disliked that. What do you think Marx would have liked best about the USSR? Explain your logic.
- B) What aspect, of the current Russian economy, do you feel is doing the worst? Explain what is

happening in that part of the economy, and explain how that is holding them back.

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

A) Russia and Czechia have very different exports. What do they each export? Based solely upon their exports, which do you think will do better in 20 years? Explain your logic.

B) What method of privatization did Czechoslovakia use but the USSR did not? Explain why Czechoslovakia did that but the USSR did not. What was the main way that the USSR privatized small companies? Explain why they did it that way.

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

A) During the communist era, both Czechoslovakia and China did a fair amount of trade. Who did each of them trade with predominately? (I am looking for groups of countries like African, or European capitalist countries.) Did that help them transition to capitalism? Explain your logic.

B) The Czech banking system and the Chinese banking system are different. How are they different? Based solely upon their banking system, which do you think will do better 20 years from now? Explain your logic.

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

A) The USSR imploded while the Chinese economy did not. What are two of the reasons for the difference? For both reasons, state how the two economies were different, and why that caused the USSR to implode but not cause China to implode.

B) For China and Russia, which country do you think will do better over the next 20 years? Explain your logic pointing out two differences.