

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point on the assignment.

- 1) (25 points) What are the advantages of socialism? In other words, what are some of the economic situations in an industry that could be improved via socialization of that industry?
- 2) (25 points) What are the contributions of Marx that have helped capitalism? How did they help capitalism?
- 3) (30 points) What is the labor theory of value and what are its weaknesses? Use a diagram from another economics course to explain a weakness.
- 4) (20 points) Why have the socialists disliked any private ownership of capital? Why have they moved away from that extreme stand?