

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.

I will be out of town from the evening of Thursday 3/27, until the evening of Sunday 3/30 for a conference in St. Louis, so there will be no class on Friday 3/28.

1) (15 points) Are the banking and financial systems in Russia heavily regulated or not? Is that good or bad for long-term growth of the Russian economy? Explain why you think so.

2) (30 points) Does the current Russian government have much of the power concentrated in one person or is there a system of checks and balances? What are the advantages and disadvantages of that system of power? Do you believe that it will help the transition or hurt the transition from a socialist to a privatized system? Why do you believe that?

3) (15 points) Why do you think that the Russian agriculture complex has not become more efficient? Explain your logic.

4) (20 points) In hindsight, it is easier to see how problems could have been reduced. If *you* had been privatizing the Russian firms, how would you have done it differently? Explain the rationale behind your actions.

5) (20 points) What do you think is the *greatest* obstacle to Russian development? Explain why you think this.