

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. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to follow these directions will cost you 1 point on the assignment and failure to type it will cost you 10 points.

- 1) (20 points) Explain how and why the US government has put regulations on pollution.
- 2) (20 points) What area in the American economy do you feel is the least like the ideal of pure capitalism? Explain why you feel it is not pure capitalism.
- 3) (20 points) Some people say that unions hurt the economy and others say they help. Choose a side and give an economic explanation. Giving an example may help your explanation.
- 4) (20 points) Do you feel that the Department of Justice is doing a good job or a poor job at reducing the monopoly power of companies? Explain your logic.
- 5) (20 points) Our government's deficit is extremely large. Why is that a problem? Given the information in the book, how would you balance the budget? Explain why you do that.