

This review sheet is intended to cover everything that could be on the exam. However, it is possible that I may have inadvertently overlooked something. You are still responsible for everything in the chapters covered except anything that I explicitly say you are not responsible for. Therefore, if I left something off of this sheet, it can still be on the exam. There will be no multiple-choice questions. Most of the questions will be like the ones on the homework assignments, and possibly a few definition questions. I am more likely to ask questions that make you use definitions rather than have you recite them. I will probably ask one of the questions from the book at the end of the chapters.

The review session for this class will be Monday, 3/26, at a time and place to be arranged.

In general, for the chapters on different countries, I will be asking about how different countries fit or fail to fit the model that is applied to them. I will also ask about how those deviations help and/or hurt the functioning of the economy. I will not ask about specific numbers like the percentage of government revenue derived from the income tax. However, knowing some statistics about the current situation will be expected for some questions. For the theory chapters, I will ask about the theories underpinning the models, how the model works, and what are the problems with the models.

Chapter 6: What is socialism? What brought about those schools of thought? What were the utopian societies that were set up in France and how were they run? How has socialism changed over time? What does socialism feel about private property, prices, and the government? How do Marx's views differ from the traditional labor theory of value? Why did he feel that crises and depressions will always occur and get worse each time? How does materialism and/or dialectical materialism determine history? Work on understanding the strengths and weaknesses of Marx's views. Understand how the theory was applied to the countries in this chapter. Note that we will discuss some of them in later chapters.

Chapter 7: Why did communism take hold in Russia? Explain how leaders like Lenin, especially his NEP, Stalin, Khrushchev, Brezhnev, and Gorbachev, affected economic policy in the USSR? Which policies were good and which policies were poor? How did the USSR fit the Marxist model? How did it differ from the Marxist model? What are the economic legacies of the USSR that Russia has to deal with?

Chapter 8: What did Russia have to change in their economy, laws, and politics, during its transition to capitalism? How did Russia make those changes? What worked well and what did not? How did they privatize large firms, small firms, agricultural system, and banks? What was their fiscal reform? What problems for the future with corruption, uneven income distribution, instability in the economy and politics, pollution, and the cashless society? Also, even though it is not in the book, you should know some about what Boris Yeltsin and Vladimir Putin have done.

Chapter 9: Know some of how the history of the two countries affects their current situation, especially what they were like before and during communism. How did they privatize? What is their banking system like? What are their current weaknesses and strengths? I will only ask you about the two countries which they present. Therefore, not all of the questions below are relevant. However, I could replace that question with an identical question about one of the other two countries.

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This is the non-graded assignment #7A that will be covered with assignment #7.

- 1) (40 points) Do you think Poland, The Czech Republic, or Hungary will have the brightest future? Explain why you chose them and why you did not choose the other one we discussed.
- 2) (20 points) If you were the head of the Polish government, what change would you make? Why would you make that change? Why would that have a positive effect on the economy?
- 3) (15 points) What do you think the Hungarian government did particularly well in the transition to a market economy? Explain your logic.
- 4) (15 points) If you had been Václav Havel, the leader of Czechoslovakia after the *Velvet Revolution*, would you have taken a gradualism or a shock therapy approach to reforming your economy? Explain your logic.
- 5) (10 points) Why do you think these two countries had an easier time with the transition from communism to capitalism than Russia did?