

Place your name on the back of this sheet of paper and nowhere else. Staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

- 1) (25 points) Explain how *dialectic materialism* explains the world. Can you think of a current real-world situation where the theory does a good job of explaining what is happening? Explain your logic.
- 2) (25 points) Marx is correct that many people in the world are paid a subsistence wage. What was his explanation? Do you agree with his explanation? If yes, explain why you agree with him. If not, give your own explanation or that of another economist.
- 3) (20 points) For the most part, communism has failed in the world or has been transformed. Give two reasons why it is very difficult to keep a communist system working well.
- 4) (20 points) As was pointed out in class, Marx had a large number of flaws in his logic. However, his logic has some merit. What do you feel was his greatest strength?
- 5) (10 points) Why do communist countries have 1, 5, and 10 year plans? What do each of them typically entail?