

Do NOT write your name anywhere. (Canvas will tell me who turned in the assignment.) All answers must be typed, except for mathematics and graphs. Take pictures of your written answers and use your own software or to create a single PDF size A4 or 8.5" x 11". At the top of my [webpage](#), I list several online sources which will convert pictures to pdfs, merge pdfs, and resize them. However, Apple phones may require using [CamScanner](#) before using the online sources. Failure to follow these directions will cost you 10 points.

A note on the first three questions. Theoretical communism is not the same as communism in practice. Sometimes, they have different results for an outcome.

1) (15 points each) Answer each part in separate paragraphs. When transitioning from a communist economy to a capitalist economy, many laws need to be written. For each of the following, what does that type of law mean? Why is it important in capitalism?

A) property rights

B) bankruptcy

2) (25 points) When privatizing a government owned company by auction, one decision which has to be made is whether or not to allow foreigners to bid. Why might the government want foreigners to bid? Why might the government not want foreigners to bid? If the company was a oil company and you were in charge of the auction, would you allow foreigners to bid? Explain your logic.

3) (10 points) What is the reason why it is hard to determine what price to pay for a company when you are bidding in an auction of a company which is being privatized?

4) (20 points) What are two things which Stalin did which Marx would probably not have approved of? Explain why Marx would not have approved of them.

5) (15 points) There were many reasons the Soviet Union fell apart. What were two of them? Explain how they led to the fall of the USSR.