If you are not in the classroom with me, you must be on Zoom with both your camera and microphone on.
https://zoom.us/j/2818112563?pwd=Qm9LNHJQSmFLUGgrTlhsczcvWUR5dz09

Do NOT write your name anywhere. (Canvas will tell me who turned in the exam.) Take pictures of your answers and use your own app or one of the pages I have links to on my home page (Links to an external site.) download to create a PDF for each answer which requires an upload. If it is large, resize it to 8.5"x11" or A4. Upload that to Canvas. Upload each answer as a separate file with that question. Failure to follow directions will cost you one point. People with Apple products may need to use CamScanner app.

You are not allowed to use your books, notes, the internet, or other people when taking this test.
You can use the internet to access Canvas and to convert your answers to PDF files. Nothing else.

If you run out of time or lose your internet connection, you can do a second submission. You do NOT have to redo the questions you already did. I will be able to see every submission. If you have problems, you can always contact me via Zoom or e-mail.

Failure to follow these directions will cost you 1 point. The test has 150 points (to be scaled up to 180 points) and is scheduled to take 1 hour 15 minutes. Therefore, expect to spend 1 minute for every 2 points. For example, a 12-point question should take 6 minutes. I have it set up to only give you two hours.

1) (12 points) Answer EITHER Part A OR Part B.
A) Why did Mises and Hayek predict the fall of communism? Explain their logic.
B) Explain how the *labor theory of value* is used to determine prices in theoretical communism.

2) (12 points) For EITHER *efficiency* OR *environmental sustainability*, is theoretical communism good or bad at that? Explain your logic.

3) (12 points) Answer EITHER Part A OR Part B.
A) If you were ruling a country transitioning from communism to capitalism, would you liberalize wages and prices before privatizing the companies, or would you privatize first? Explain your logic.
B) When transitioning from a communist economy to a capitalist economy, many laws need to be written. One of those laws is contract law. What does that type of law mean? Why is it important in capitalism?

4) (12 points) Answer ONE of the following questions.
A) Why did all of the countries which had been part of the Soviet Union have high inflation during the transition to capitalism?

B) What was China's *spontaneous agricultural reform* and why was it important.
C) Why did Czechoslovakia use restitution to privatize some companies?

5) (16 points) Answer EITHER Part A OR Part B.
A) What was China's Great Leap Forward? Why did it fail so badly?
B) What do you feel is the biggest weakness of the Chinese economy? Explain how that hurts their economy.

6) (16 points) Answer EITHER Part A OR Part B.
A) What was the CMEA, a.k.a. COMECON? Do you think it was a net help or a net hinderance to the economy of Czechoslovakia? Explain your logic.
B) What is the biggest weakness of the Czech economy? Explain how it hurts their economy.

7) (16 points) Answer EITHER Part A OR Part B.
A) What was Lenin's NEP? Do you think Stalin should have continued it? Explain your logic.
B) The USSR had many problems privatizing companies. What was one of the big problems? Explain why they had that problem and how that made privatization hard.

8) (18 points) Answer EITHER Part A OR Part B.
A) The current Russian and Czech economies are very different. Tell me one of the largest industries in each country. Which of those two industries do you think will do better in the long run? Explain your logic.
B) The Czech and Russian governments have different sources of income. What are the main sources of revenue for each of them? Which is a better source? Explain your logic.

9) (18 points) Answer EITHER Part A OR Part B.
A) Do you think the economy of the Czech Republic or China will grow faster in the long term? Explain your logic pointing two differences which support your argument.
B) The Czech Republic and China both have a problem with their banking system. However, the problems are different. What are the two problems? Which do you think is a bigger problem? Explain your logic.

10) (18 points) Answer EITHER Part A OR Part B.
A) The Chinese and Russian economies have very similar statistics except for GDP per capita, growth rate of GDP, debt to GDP ratio, and inflation rate. For two of them, tell me which country is doing better. Also tell me why that statistic is important. **Note, I am not asking for you to tell me exact numbers.** I am asking for a statement like "Russia's Gini Coefficient is smaller than China's. That is good because..."
B) Why do you think the USSR fell apart while China did not? Explain your logic pointing out two differences and explaining why they matter.