

Write your name on the cover of the test booklet and nowhere else. Enclose this sheet with the booklet. 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 75 minutes. Therefore, expect to spend 1 minute for every 2 points. For example, a 12-point question should take 6 minutes. I cannot give extra time because some students have a class after your class.

1) (12 points) For EITHER *long-run viability* OR *stability*, is theoretical capitalism good or bad for that outcome. Explain your logic.

2) (12 points) Answer EITHER Part A OR Part B.

A) One of the problems in the USA is the *principal-agent problem*. What is it and how does it **hurt** the economy?

B) The public sector in the USA has been growing over the past century. Does the Anglo Model of capitalism say this is a good or bad trend? Explain your logic.

3) (12 points) Answer EITHER Part A OR Part B.

A) Germany's *mittlestand* has both good and bad aspects. What is it? How does it **hurt** their economy? Explain your logic.

B) Germany is facing a demographic bomb. What is that and how does it **hurt** their economy?

4) (12 points) Answer EITHER Part A OR Part B.

A) The *sogo shosha* are controversial. What are they? How do they **help** the Japanese economy?

B) The *Meiji* period saw great economic change in Japan. How did it **help** their development? Explain your logic.

5) (16 points) The Anglo-Saxon Model of capitalism diverges from theoretical capitalism in several ways. Some of these differences are helpful while others hold them back. For ONE of the differences which **helps** countries using the Anglo-Saxon Model, explain how it is **an improvement upon** theoretical capitalism. Give an example from any of the countries which fit the Anglo-Saxon Model in your explanation.

6) (16 points) The Asian Model of capitalism diverges from theoretical capitalism in several ways. Some of these differences are helpful while others hold them back. For ONE of the differences which **hurts** countries using the Asian Model, explain how it is **worse than** theoretical capitalism. Give an example from any of the countries which fit the Asian Model in your explanation.

7) (16 points) The European Model of capitalism diverges from theoretical capitalism in several ways. Some of these differences are helpful while others hold them back. For ONE of the differences which **helps** countries using the European Model, explain how it is **an improvement upon** theoretical capitalism. Give an example from any of the countries which fit the European Model in your explanation.

8) (18 points) Answer EITHER Part A OR Part B.

A) The relationship between the government and the companies is different in Japan than it is in the USA. How are the relationships different? Which is better? Explain your logic.

B) What is one way the USA economy could be improved by being more like the economy of Japan? Explain how the two economies in that manner and how changing our economy to be more like their economy would help us.

9) (18 points) Answer EITHER Part A OR Part B.

A) The relationship between employers and employees is very different in Germany and the USA. Explain how they are different. Which system is better? Explain your logic.

B) When it comes to anti-trust, there are differences between the German and the American laws. Explain one of the differences. Which do you think is better? Explain your logic.

10) (18 points) Answer EITHER Part A OR Part B.

A) The ownership of most companies is different between Germany and Japan. What is the difference? Which do you think is better? Explain your logic.

B) Both Germany and Japan have large banks. However, the banks' relationships with the firms they lend to are different. Explain the relationships. Which do you think is better? Explain your logic.

Three more people have dropped the course on 10/21 or 10/22. So, the new list of presentations is: Russia 11/5: Lauren Davis, Hyte Eurich & Trevor Wosko. China, 11/12: Matthew Cavanagh, & Collin Watts. Czech Republic, 11/19: nobody.