

Do NOT write your name anywhere. (Canvas will tell me who turned in the exam.) Take pictures of your answers and use your own software or <https://pdfcandy.com/> to create a PDF for each answer which requires an upload. If it is large, resize it to 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. If you use Zoom, open it in a new tab or window.

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) Theoretical communism has a problem with incentives for hard work. What did Marx feel was the best way to overcome the incentive problem? Explain your logic.
- B) What was in the one-year plan under communism? Explain why that is in the one-year plan.

2) (12 points) For EITHER the outcome of *income distribution* OR the outcome of *economic growth*, is theoretical communism good at that outcome? Explain your logic.

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

- A) When transitioning from communism to capitalism, the country needs to create contract law. Why is that important to the functioning of the economy?
- B) When a country is transitioning from communism to capitalism, it can be hard to determine a good price to sell the company. Why is that true?

4) (12 points) Answer ONE of the following parts.

- A) Why was the Great Leap Forward such a disaster?
- B) Czechoslovakia did some privatization by restitution. How was that done?
- C) All parts of the USSR had hyperinflation after the fall of the USSR. Why did this occur?

5) (16 points) Answer EITHER Part A OR Part B.

- A) What do you think is the greatest strength of the Czech economy? Explain how that helps their economy.
- B) Do you think the Czech tax system is well designed? Make sure you explain the advantage or disadvantage of the feature which only a few countries have.

6) (16 points) Answer EITHER Part A OR Part B.

- A) Do you think that the USSR should have transitioned quickly or slowly from communism to

capitalism? Explain your logic citing two reasons.

B) What do you feel is the greatest weakness of the Russian economy? Explain your logic.

7) (16 points) Answer EITHER Part A OR Part B.

A) What is the greatest strength of the Chinese economy? Explain how that helps them.

B) What is the biggest problem facing the Chinese banking system? Explain why that is occurring and how that hurts the system.

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

A) The Czech Republic and Russia have economies which have very different products or services they produce. Which country's industries do you think will do better in the future?

Explain your logic, making sure you mention what they produce.

B) The Czech Republic and Russia have very different main source of revenue for the government. What are they? Which do you think is a better source? Explain your logic.

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

A) Do you think The Czech Republic or China is more friendly to businesses? Explain your logic citing two differences.

B) Do you think that The Czech Republic or China will have faster growth over the next decade? Explain your logic citing two differences.

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

A) The USSR fell apart while China stayed together. Why do you think this was true? Explain two reasons.

B) Russia and China both export a lot. What do they export? Which export do you think will help them more in the long run? Explain your logic.