

Write your name on the cover of the test booklet and nowhere else. Failure to follow these directions will cost you 1 point. The test has 150 points (to be scaled up to 210 points) and is scheduled to take 75 minutes. Therefore, expect to spend 1 minute for every 2 points. For example, a 16-point question should take 8 minutes. I will allow some extra time, but I will not allow much.

1) (14 points) Do EITHER Part A OR Part B.

A) Given the treaties that ended World War I, and World War II, what should be done now that we have reached “the end” of the war with Iraq? Explain your logic.

B) In your opinion, what was the single most important development of the twentieth century? Explain your logic.

2) (14 points) Do EITHER Part A OR Part B.

A) How do firms like the *Keiretsu* benefit the Japanese economy.? Explain your answer.

B) What was the biggest economic problem for Germany when it reunified? Explain why this was a problem.

3) (14 points) Do EITHER part A OR part B.

A) How can the enormous disparities in income in the United States be justified?

B) What problems are caused by the enormous disparities in income in the United States?

4) (32 points) For TWO of the countries we discussed (USA, Japan, and Germany), what do you see as that country’s greatest economic strength? Which of the two countries you chose to discuss, will have the strongest economy in the long term? Explain your logic.

5) (34 points) Do EITHER Part A OR Part B. Answer the question ONE of the three countries we studied, USA, Japan, and Germany.

A) What is one strength and one weakness of that country’s banking system? Overall, is it a beneficial system or a detrimental system? Explain your logic.

B) What is one strength and one weakness of the relationship between corporations and labor unions? Overall, is this relationship beneficial one or a detrimental one for the country? Explain your logic.

6) (42 points) Do EITHER Part A OR Part B.

A) A country with an economic system that is purely capitalist would have little government intervention. All three countries we studied so far (USA, Japan, and Germany), have government intervention. Which country’s government intervention has been the most productive economically? Explain how that intervention has been productive. Explain why you did not choose the other two countries for your answer.

B) If you were the leader of a developing country, would you model your country’s economy after the USA’s, Japan’s, or Germany’s? Explain why you chose that country and why you did not choose the other two countries listed.