

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 income distribution OR efficiency, is theoretical capitalism good or bad for that outcome. Explain your logic.

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

A) We said that the US stock market is the most liquid. What does that mean and why is that good for the US?

B) Hostile takeovers are most common in the US. What are they and how can they help the US?

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

A) Currently, Lufthansa (a German company) has a pilot strike. Is this a common or rare event in Germany? Explain your logic.

B) What is meant by the *Mittlestand*? Explain how it works.

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

A) What are the *Sogo Shosha*? How have they helped Japan?

B) What is *METI*, f.k.a. *MITI*? How did it help Japan?

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 on 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 an improvement on 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 on 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) Explain how the anti-trust policies of Japan and the USA differ. Which do you think is better? Explain your logic.

B) Religion plays an important role in the economy of a country. Explain one way Confucianism

affects the Japanese economy and one way Christianity affects the US economy. Given your examples, which country's religion has a more positive impact on the country's economy.

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

A) Ownership of large and medium sized corporations in the USA and Germany are usually different. Who own's most of the US's corporations and how are most owned in Germany?

Which is better? Explain your logic.

B) Insider trading laws differ from the USA to Germany. Explain how they differ. Which is better? Explain your logic.

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

A) Both Germany and Japan have a lot of government intervention in the economy. Explain how the interventions differ. 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.