

Place your name on the back of this sheet of paper and nowhere else. Staple your answers face up on the front of this sheet of paper. Failure to follow these directions will cost you 1 point. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to type it will cost you 10 points. If you use double-sided printing or print on the back of scrap paper, I will give you one additional point.

- 1) (15 points) Which part of my web page, <http://www.WCsaplarJr.info> do you think will be most helpful? Why? Is anything missing that you would like to see? What is the URL for the first exam from this class during the last semester it was taught? If you were a sophomore Managerial Economics major, then what courses does the program web page suggest you be taking this semester?
- 2) (20 points) One of the enforcement mechanisms we discussed is *private rule*. Explain how that works and give an example of it.
- 3) (20 points) We say that a higher GDP per capita means the country is better off. However, studies of “happiness” often conclude that a poor country like Nepal is happier than a rich country like the USA. What is GDP per capita not considering? Why is that important?
- 4) (20 points) Economics is described by some books as the “study of incentives.” Given that, why do you think egalitarian communes (where everybody earns the same income) rarely survive for more than one generation after they are formed? Explain your logic.
- 5) (25 points) Enforceable property rights are important for helping an economy grow. There are several problems with having property rights that are not enforceable (your property can be taken at any time) or non-existent (fresh air). What is one problem caused by lack of enforceable property rights? What could the government do about that problem? Explain how that would reduce the problem.

Either fill in this list on your first homework assignment, or e-mail your preferences to me at [WCsaplarJr@bethanywv.edu](mailto:WCsaplarJr@bethanywv.edu) by 1:30 on Friday, September 1. **Note that no student will be assigned to discuss a country they lived in for more than one year.** Rank them from 1 (first choice) to 5 (last choice).

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Exam #2

_____ Germany	10/10 (before we finish discussing USA)
_____ Japan	10/19

Exam #3

_____ Russia	11/14
_____ China	11/16 (before we finish discussing Russia)
_____ Czech Republic	11/30 (before we finish China)