

This review sheet is intended to cover everything that could be on the exam; however, it is possible that I will have accidentally left something off. You are still responsible for everything in the chapters covered except anything that I explicitly say you are not responsible for. Therefore, if I left something off of this sheet, it can still be on the exam. There will be no multiple-choice questions. Most of the questions will be like the ones in the homework assignments, and possibly a few definition questions, but I am more likely to ask questions that make you use the definitions rather than recite them. I will probably ask one of the questions from the book at the end of the chapters.

Because this class is so small, I will not run a formal review session. Rather, I will be in my office 7:00 - 9:00 on the night before the exam. Feel free to call me there or stop by during that time. I may be there even later.

In general, for the country chapters, I will be asking about how different countries fit or fail to fit the model that is applied to them. I will also ask about how those deviations help and/or hurt the functioning of the economy. I will not ask about specific numbers like the percent of government revenue that comes from the income tax. For the theory chapters, I will ask about the theory behind the model, how it works, and what are the problems with it.

Chapter 1: Understand the general history of the 20<sup>th</sup> century. I will not ask about specific events except for questions like, "How did World War II affect the future economic relationships between the European countries and the USA?" or "How did World War II help to strengthen the USA's dominance of the world economy?"

Chapter 2: What is necessary for capitalism to work well? Why does that matter? When do those assumptions fail? How can those failures be addressed? What are the drawbacks of capitalism? How do we measure income inequality? Be able to manipulate and understand the Lorenz Curve and quintile ratio.

Chapters 3 and 4: How does the culture of the USA and Japan help and/or hurt the capitalist market? How much government interference is there? What are the good and bad aspects of that? What has happened to the size of firms and unions? In general, where does the USA get its revenue and where does it spend it? What are its strengths and what are its weaknesses?

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This is the non-graded assignment #2A that will be gone over with assignment #2.

- 1) (25 points) What are the Keiretsu and how are they good and how are they bad for Japan's economy?
- 2) (15 points) What are the Sogo Shosha and how are they bad for Japan's economy?
- 3) (15 points) How is the banking system in Japan different from that in the USA? What are the advantages of that?
- 4) (25 points) What is MITI and how has it helped and hurt the Japanese economy?
- 5) (20 points) What do you feel to be the biggest weaknesses of the Japanese economy?