

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 100 points (to be scaled up to 170 points) and is scheduled to take 50 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) (16 points) Answer EITHER Part A OR Part B.

A) What was the original *labor theory of value* (before Marx made his modifications to it)? Explain it and explain problems with it.

B) What is the *theory of surplus value*? Why did Marx feel that it meant capitalism would always have a poor underclass?

2) (16 points) Answer EITHER Part A OR Part B.

A) Marx would probably not like either Stalin or Gorbachev. Which do you think he would dislike the most? Explain your logic mentioning something about each of them.

B) Modern socialists are very different from socialists of a century ago. How are their views different? Why did they change their views?

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

A) What was the biggest cause of the downfall of the Soviet Union? Explain your logic.

B) The Soviet Union did not have problems selling products to other countries, but did have problems after it fell. What was the difference between before and after?

4) (18 points) For EITHER competition law OR property law, explain what is meant by that type of law and why a communist economy did not have it and why a capitalist economy needs it.

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

A) When Russia privatized a restaurant in the early part of privatization period, how did they do that? Why did they do it that way?

B) What is one of the biggest problems facing Russia? What would you do about it? How would that reduce the problem?

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

A) What do you feel is the greatest strength of the economy of Poland? Why did you choose that?

B) Did the Czech Republic use shock therapy or take a gradual approach? Do you think that was smart? Explain your logic.