Final Exam

You have 1.5 hours to complete the 100 points worth exam. Good luck!

PART I (30%) - Short Descriptions: answer 5 of 8
In two to three coherent sentences, explain and/or define each of the following concepts. Make sure you comment on the importance, context, and relevance of each concept.

1. The Great Leap Forward
2. Quirad
3. Capital account convertability
4. Gini coefficient
5. Mikhail Gorbachev
6. Commanding heights
7. Monetary overhang
8. Keiretsu

PART II (32%) - Short Answers: answer 2 of 4
Write a paragraph about each topic/question.

a. Macroeconomic Disequilibrium Describe the macroeconomic disequilibrium in the Soviet Union. Why was there a disequilibrium? What was the resulting problem?

b. Perfect Market “A complete, competitive, full-information general equilibrium is efficient.” Explain this statement in detail and discuss what happens when some of the conditions are violated.

c. Marx on Capitalism Use Marx’s labor theory of value to explain the breakdown of capitalism.

d. Participatory Economy Is there more or less investment in a participatory economy than in a capitalist economy? Relate your answer to the difference between who owns capital and who gets profits. Explain.

PART III (30%) - Essay Topics: answer 1 of 2
Write an essay on one of the topics, answering all questions in each topic in a single, clear, coherent, and concise essay.

A. Dual-track Transition Describe the Chinese dual track approach to economic reform/transition. Explain what it is, how the mechanism works, and what makes it an appealing approach to economic reform/transition. Make sure you discuss dual track in both agricultural and industrial sectors in China.

B. Islamic Economic System Describe the institutions in the Islamic economic system. What are the three main institutions and how do they work? How does Islamic economic system compare to both capitalism and socialism?

Turn over ⇒
PART IV (10%) - Readings: answer all 5

1. In the USSR, the method of plan formulation was called
   (a) material balance planning.
   (b) indicative planning.
   (c) the turnover tax.
   (d) scientific planning.
   (e) planning with markets.

2. The best-known unit of agricultural organization in China prior to recent reforms was
   (a) the kolkhoz.
   (b) the link.
   (c) the sovkhoz.
   (d) the commune.
   (e) none of the above.

3. Oligarchs in Russia became prominent members of society during the presidency of
   (a) Vladimir Putin.
   (b) Mikhail Gorbachev.
   (c) Boris Yeltsin.
   (d) Dmitriy Medvedev.
   (e) Boris Berezovsky.

4. The closest any country came to the principles of a participatory economy was
   (a) China.
   (b) Yugoslavia.
   (c) Sweden.
   (d) the USSR.
   (e) Poland.

5. Who of the following oligarchs was imprisoned by Vladimir Putin and served a pro-
   longed sentence in a prison? (Hint: he appeared in the movie "The Rise and Fall of
   the Russian Oligarchs" in a cage)
   (a) Roman Abramovich
   (b) Mikhail Chernoy
   (c) Mikhail Khodorkovsky
   (d) Vladimir Gusinsky
   (e) Boris Berezovsky