Midterm II

You have 50 minutes to complete the 100 points worth exam. Be precise and to the point. Good luck!

PART I (24%) - Short Descriptions: answer 4 of 6
In two to three coherent sentences, explain and/or define each of the following concepts.

1. Wage drift
2. Utopian socialism
3. Monetary overhang
4. Mittelstand
5. Keiretsu
6. Material balances

PART II (40%) - Short Answers: answer 2 of 3

a. Capitalism
   Compare and contrast shareholder to stakeholder capitalism. When answering the question, please provide a name of a country for each type of capitalism.

b. Active Labor Market Policies
   Explain why an active labor market policy is a vital component of promoting full employment in Sweden? In answering the question, compare Sweden to a more /emphlaissez-faire economy, such as the US, and why active labor market policies may be more important within the Swedish system.

c. Economic Outcomes
   Use the main economic outcomes discussed in class to evaluate performance of a socialist economic system. When evaluating a socialist economic system, compare it to a capitalist economic system.

PART III (26%) - Essay Topics: answer 1 of 2

A. Japanese Economic Miracle
   Describe the Japanese experience with economic growth between 1945 and 1990. What were the characteristics of the economy during this time that allowed it to grow fast?

B. Labor Theory of Value
   Describe Marx’s labor theory of value. Explain how he argues that capitalism is unsustainable. In explaining his argument, use the system of equations (logic) that we have developed in class.
PART IV (10%) - Readings: answer all 5

Multiple choice

1. Which European country has invoked Article 50 to leave the European Union?
   (a) Norway
   (b) Sweden
   (c) Great Britain
   (d) Greece
   (e) France

2. In the USSR, the plan target that was the most important to the enterprise manager was the
   (a) profit target.
   (b) value-added target.
   (c) cost-reduction target.
   (d) gross-value-of-output target.
   (e) none of the above.

3. Who is the current Japanese prime minister?
   (a) Junichiro Koizumi
   (b) Koichi Akaishi
   (c) Shinzo Abe
   (d) Haruhiko Kuroda
   (e) Soichiro Takashima

4. Which of the following countries has a robust system of vocational training for students
   (a) France
   (b) Germany
   (c) Great Britain
   (d) Sweden
   (e) Japan

5. Which of the following EU countries is not part of the European Monetary Union (does not use the euro)?
   (a) Sweden
   (b) Germany
   (c) France
   (d) Greece
   (e) Finland