Homework VIII

due Wednesday, April 12\textsuperscript{th} in class

Type out the answers, use single-spacing, and a size 12 font.

1. **Definitions** (3 points) Briefly explain the following terms: 1) Work points; 2) Market socialism; 3) The Great Leap Forward.

2. **Participatory economy** (3 points) What were Vanek’s five principles for a participatory economy? How did these principles address deficiencies of either the market (capitalist) or the centrally planned (socialist) system?

3. **Income Maximization** (3 points) Describe how firms in a labor-managed economy choose the level of production. Draw a graph and explain in words.

4. **Investment** (3 points) Why is there less investment in a participatory than in a capitalist economy? Relate your answer to the difference between who owns capital and who gets profits.

5. **Dual-track Transition** (3 points) Describe the process of dual track transition as it was practiced in China.

6. **Township Village Enterprises** (2 points) Explain TVEs in China. Why were TVEs important in China’s transition?

7. **China’s Economic Growth** (3 points) According to the article “Understanding China’s Growth: Past, Present, and Future,” what is the main difference between the types (sources) of economic growth between the pre-1978 and post-1978 periods?