

1. (30%) Short Descriptions:

Answer 10 of 12 (3% each). In two to three articulate sentences each, explain each of the following, along with their importance, context, or relevance. Clearly note which two you are dropping. If you answer all 12, I will drop the last two.

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|------------------------------|------------------------|
| a. Balcerowicz Plan | g. New Economic Policy |
| b. Cultural Revolution | h. Perestroika |
| c. Great Leap Forward | i. Prague Spring |
| d. Market Socialism | j. Solidarity |
| e. Material Balance Planning | k. Treuhandanstalt |
| f. New Economic Mechanism | l. War Communism |

Answer both of these short essay questions.

2. (15%) What are Kornai's five blocks of the classical socialist economy? Explain the major components of each block, and how they fit together. What is Kornai's main argument about the socialist economic system?

3. (15%) What is the Fel'dman approach to rapid economic growth? What are the major components of this policy, and how do they fit together? Is this approach possible in a market capitalist economy? Is this approach consistent with extensive growth or intensive growth?

Answer two of the following three longer essay questions. If you answer all three, I will drop the last one.

4. (20%) What is the labor-managed economy? How is it supposed to work, and why is it supposed to be an improvement over the traditional centrally planned economy? What are the problems of the labor-managed firm? How and why did Yugoslavia implement a labor-managed economy? Do the theoretical predictions help explain both the performance and problems of Yugoslavia's economy before the breakup?

5. (20%) After the collapse of the Soviet Union in 1991, what general approach and specific policies did the Yeltsin government take to Russia's economic transition? What political and economic difficulties did it encounter? How did it reform the Central Bank, and why? How did these reforms help cause the 1998 financial crisis?

6. (20%) After Mao's death, what major reforms were launched by Deng Xiaoping? Consider especially reforms in agriculture, industry, and foreign trade. How did the reform of state-owned enterprises affect China's banking system? How did China's reform process contrast with that of the Soviet Union under Gorbachev, how were its results different, and why?