

I. (45%) Short Descriptions: Answer 15 of 18 (3% each). In two to three articulate sentences each, explain each of the following, along with their importance, context, or relevance.

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| 1) Asian Financial Crisis | 10) Monetary Overhang |
| 2) Chaebol | 11) NAFTA |
| 3) Cultural Revolution | 12) Imre Nagy |
| 4) Deng Xiaoping | 13) New Economic Mechanism |
| 5) Alexander Dubcek | 14) Perfection of Control |
| 6) Ejido | 15) Prague Spring |
| 7) Household Responsibility System | 16) Swaraj |
| 8) Islamic Banking | 17) Township and Village Enterprises |
| 9) Juche | 18) Two-tier Pricing |

II. (30%) Short Essays: Answer 3 of the following 4 topics with a clear and cogent essay that demonstrates a detailed understanding of the course material (10% each).

- A. What are the key elements of an “Islamic” economy? To what extent do these key elements characterize the current Iranian economy?
- B. What was the significance of China’s “Socialist Market Economy,” and what policies did it initially entail? How did these policies change over time?
- C. To what extent was India's economy after independence socialist, and how was it fundamentally and philosophically different from the classical socialist economy? What reforms were implemented after the assassination of Rajiv Gandhi?
- D. What advantages did East Germany have in its transition relative to Russia and other transitioning economies, and what disadvantages did it have? In particular, how did the German government’s plan to convert Ostmarks into Deutschmarks affect its transition?

III. (25%) Long Essay: What are the major elements required of a strategy to transition to a market economy? How is transition different from reform? What problems are likely to be experienced along the transition path? Compare and contrast the policies of economic transition after the fall of communism in Russia, Poland, Hungary, and Czechoslovakia. Pay particular attention to how these economies performed during the transition, and why.

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