

Economics 382  
Practice Final Examination

Mr. Easton

There are three parts to this examination. The entire exam is worth 150 points. You should take roughly 1 point per minute. This is expected to be a 2½ hour examination. Use one exam book for Part I. Use a second exam book for Parts II and III.

Part I. Answer **6** of the following questions True, False or Uncertain and briefly explain your answer. Each question is worth 10 points.

1. Since we often observe more crime when there are more police, we infer that police increase the crime rate.
2. The only effect of incarceration is to deter crime.
3. If Canadians ban the ownership of handguns, we should expect to observe less crime.
4. The death penalty saves lives.
5. The UCR gives us a good estimate of the number of crimes.
6. If cigarettes are illegal, “society” will be better off.
7. Crime does not pay.

Part II. (60 points) Answer two of the following questions. Each question is worth 30 points.

1. From an *economic perspective* developed in this course explain (1) why organized crime exists, and (2) the reasons why you expect it to expand or contract in Canada.
2. How serious a problem is recidivism? What does it imply about sentencing and rehabilitation?
3. Should marijuana be legalized in Canada? In your answer consider the costs and benefits. Would your answer change if the entire Western Hemisphere legalized it? (Today Canada does \$2 billion per day in trade with the US.)

Part III. Answer the following question for 30 points

4. Should prisons be privatized? In the course of reaching your conclusion, explain what might constitute a successful prison and review the arguments on both sides.