

STUDY QUESTIONS FOR SMITH ? GROWTH AND DEVELOPMENT

RUBIN, Chapter 18

1. How did independent craftsmen become subordinate to merchant?capitalists?
2. Describe the early development of manufacturing factories.
3. What were the main technical characteristics of the manufacturing factories?

SMITH, Introduction (pp. 103?05)

1. What is Smith's definition of "the wealth of the nation"?
(Please be prepared to cite specific passages that support your interpretation.)
 - a. current output or accumulated assets?
 - b. in nominal or real terms?
 - c. include non?market output (e.g. government services and household services)?
 - d. include non?physical services?
 - e. how compare with the modern definition of "gross national product"?
2. What is "the source of all wealth", according to Smith?
3. What are the two main ways to increase the wealth of the nation?
4. What is the subject of each of the five books in The Wealth of Nations?

SMITH, Book 1, Chapters 1?3

1. How does the division of labor increase the wealth of the nation?
2. What is the origin of the division of labor?
3. How is the extent of the division of labor determined?

SMITH, Book 2, Chapter 3

1. What are Smith's definitions of "productive labor" and "unproductive labor"?
What role do these concepts play in Smith's theory?

2. What determines the proportion between productive labor and unproductive labor?
3. Summarize Smith's critique of government spending.
4. Summarize Smith's critique of landlords' extravagant lifestyle.
5. What are Smith's recommendations for increasing the wealth of the nation?