

STUDY QUESTIONS FOR SMITH -RESOURCE ALLOCATION

THEORY OF RESOURCE ALLOCATION, Book 4, Ch. 2, pp. 452-59

1. Summarize Smith's arguments against "restraints on imports."
What are some of Smith's examples of such restraints?
What exceptions does Smith make to these arguments?
2. Summarize Smith's arguments concerning the "invisible hand."

BLAUG

1. Do you think Blaug provides a good introduction to the main purposes, most important questions, and main conclusions of Smith's theory?
2. Do you think Blaug provides a correct interpretation of specific aspects of Smith's theory (e.g. definition and theory of wealth, the labor theory of value)?
3. If you had only read Blaug, and not Smith, do you think you would have a pretty good understanding of Smith's theory? Are there aspects of Smith's theory that you would not understand or misunderstand?
4. Does Blaug judge or appraise the validity of Smith's theory? If so, what criteria of evaluation does he use? What are the conclusions they reach concerning the validity of Smith's theory?
5. What is the mix between absolutist and relativist approaches in Blaug's discussion of Smith?

GENERAL

1. What are your own summary comments, evaluations, questions, etc. concerning Smith's theory and Blaug's interpretation of Smith's theory?
2. What surprised you the most about reading Smith in the original?
3. If you were to continue to study Smith, what questions would you pursue?