

The Wealth of Nations
Chapters 1-4
Adam Smith
Discussion Questions

1. Why, according to Smith, does the division of labor account for "the greatest improvement in the productive power of labor...?"

What does Smith mean by the division of labor? How is the division of labor illustrated by the pin factory?

Why is it that the "...corn of the rich country ... will not always, in the same degree of goodness, come cheaper to the market than that of the poor." (p.6)?

Why, according to Smith, is the invention of machinery owing to the division of labor?

2. What, according to Smith, is the connection between the division of labor and the highly social nature of the human species.

Do you agree that the division of labor is uniquely human?

3. Why, according to Smith, is the division of labor limited by the extent of the market?

What does Smith mean by "the extent of the market."

What, according to Smith, are the connections between geography, transportation, and the extent of the market?

4. Why, according to Smith, does the division of labor lead to the use of money?

What, according to Smith, are the benefits to society of money use? The costs?

Why, according to Smith do metals make better money than other commodities?

What does Smith mean when he says that the "... avarice and injustice of princes and sovereign states, abusing the confidence of their subjects, have by degrees diminished the real quantity of metal, which had been originally contained in their coins." (p.27)?

What, according to Smith, is the difference between value in use and value in exchange?

Do you agree with Smith that the division of labor accounts for the use of money? Has Smith got it right?