

Answer questions #1, 2, 5, 6, 7, 8, 9 & 10

**Check Your****Understanding**

1. Do you agree with Adam Smith that self-interest is the main motivator behind our economic actions? Explain.
2. Explain in your own words Adam Smith's concept of the "invisible hand."
3. How might self-interest be controlled in a command economy? in a traditional economy?
4. Using the law of accumulation and the law of population, explain how the division of labour might contribute to the concentration of wealth in the hands of a few.

5. What was the book Adam Smith wrote?
6. Adam Smith is known as the "Father of Economics" True/False
7. Who are Physiocrats?
8. What is mercantilism? Explain using your own words.
9. What is protectionist policy and how does tariffs relate to this?
10. Explain these 3 concepts: Division of Labour, Law of accumulation & Law of population. Are there any relationships between them?