From Mercantilism to “The Wealth of Nations”
Supplementary Readings Questions

1. Define commerce---

2. Who is “The current president of the United States” that the author is referring to in the introductory paragraph?

3. In western Europe during the period 1500-1750, four-fifths of most peoples’ income was spent on……

4. Historians and economists alike argue that upshot of the Age of Exploration and voyages of discovery was the emergence of a network of global trade and a “commercial revolution” that had a significant impact upon the economies of Europe.
   TRUE
   FALSE

5. According to the article what was the driving force behind the British and colonial disagreements that led to the American Revolution?

6. What was the title of Adam Smith’s economic masterwork published in 1776?

7. What precious metal became the primary currency in the emerging global economy of the 16th century?

8. During the early days of the commercial revolution, what did Asia seek to import from Europe?
9. What did Europeans begin to illegally export to China in an effort to trade for tea without having to pay out silver?

10. Prior to the development of mercantilism—no economic theory existed and no thought countered that governments should not regulate matters affecting national wealth in the name of national interest.
   TRUE    FALSE

11. Define ad hoc—

12. Before the Age of Exploration and the voyages of discovery, what was initially perceived to be a country’s source of national wealth and economic strength?

13. Mercantilist theory conceived that trade was an arena of national competition and conflict, thus trade was merely a form of war by other means.
   TRUE    FALSE

14. Identify the world’s most famous adherent of mercantilism who served as Louis XIV’s finance minister and whose economic policies established the foundation for the rapid and successful French commercial development of the 18th century.

15. What French industries were developed through the mercantilist policies of Louis XIV’s finance minister?
   a. Textiles, wine and fishing
   b. Banking, steel, and timber
   c. Furniture, glass, and tapestries
   d. Woolen, ship, and pig-iron

16. The Bank of Amsterdam was a public bank that offered a source of capital which was virtually identical to the government funding of chartered companies that had marked the early days of discovery and trade in Europe.
   TRUE    FALSE
17. What do many people believe is a benefit of free-trade?

18. The British Navigation Acts were intended to strike at the heart of ….
   a. The American colonists
   b. The Dutch
   c. The French
   d. The Spanish

19. Define *entrepot*—

20. What European cities flourished and prospered from the network of international trade that developed in the 17th and 18th centuries?
   a. Cadiz and Lisbon in Portugal
   b. Bordeaux and Nantes in France
   c. Bristol, Liverpool, and Glasgow in England and Scotland.
   d. All of the above

21. Define *burgeon*—

22. How did Adam Smith describe the regulations by which London sought to control the American colonial economy?

23. What revolutionary political document was also published in 1776?

24. What later influential economists were influenced by the classical economic theories put forth by Adam Smith?
   a. Ricardo, Mill, Marx, and Keynes
   b. Bowen, Woodward, Doran, and Marshall
   c. Kagan, Turner, Addison, and Wesley
   d. O’Connor, Sabato, Janda, and Goldman

25. What economic issues were not addressed by Adam Smith in *The Wealth of Nations*?
   a. Wages and profits
   b. Redistribution of wealth and social insurance/welfare policies
   c. Taxation and national debt
   d. Money and banking systems
26. What has proved to be Adam Smith’s most famously enduring phrase from *The Wealth of Nations*?

27. Adam Smith ultimately praised the mercantilist system because it sacrificed the consumers’ interest to that of the producers’ interest.

   TRUE

   FALSE

28. What is argued to be “the sole end and purpose of all production?”

29. The Commercial Revolution served as a prelude to what later revolution?

   a. The Agricultural Revolution
   b. The Industrial Revolution
   c. The Technological Revolution
   d. The Information Revolution

30. Define **The Commercial Revolution**--