Economic Game Changers: Adam Smith | Worksheet

Matching

Match the definition in Column A with the term in Column B.

Column A		Column B
__________	Acting to benefit oneself.	a. Mercantilism
__________	Buyer and seller interaction determines prices.	b. Division of Labor
__________	Splitting production into specialized tasks.	c. Supply and Demand
__________	Economy with little or no government control.	d. Invisible Hand
__________	Government-controlled trade to grow national wealth.	e. Self-Interest
__________	Individual choices unintentionally benefit society.	f. Free Market

Multiple Choice

1. **Why did Adam Smith write *The Wealth of Nations*?**
   a. To defend mercantilism as a way to control trade and secure wealth.
   b. To explain how economic freedom could create wealth and benefit society.
   c. To promote the benefits of the Industrial Revolution and factory production.
   d. To support restricting trade between nations under the Navigation Acts.
2. **Which of the following is the best example of a free market?**
   a. The government sets the price of bread to ensure affordability.
   b. A country limits trade to only its own goods and resources.
   c. Buyers and sellers freely agree on prices without government control.
   d. A central authority decides how much of each product is produced.
3. **What three radical ideas did Adam Smith explain about wealth and trade?**
   a. Division of Labor, Supply and Demand, Invisible Hand
   b. Free Trade, Competition, Limited Government
   c. Mercantilism, Trade Restrictions, Colonies
   d. Government Control, Gold and Silver, Fixed Prices
4. **A restaurant owner lowers prices to attract more customers and increase profits. As a result, more people can afford to eat there. Which concept does this scenario best demonstrate?**
   a. Prices driving supply and demand
   b. Division of labor driving productivity
   c. Self-interest and the invisible hand
   d. Navigation Acts driving the beginning of the Industrial Revolution

Application

Think of the last few businesses you've shopped at. How did self-interest guide your purchasing decisions? How did self-interest guide the seller's decisions (such as pricing, advertising, or product choices)? How did those decisions end up benefiting both sides?

Scan to watch episode:

Application Response:

Exit Ticket:

- What is the key economic principle Adam Smith teaches?
- Give one real-world example of it in action.

Economic Game Changers: Adam Smith | Answer Key

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e. Acting to benefit oneself.	a. Mercantilism
c. Buyer and seller interaction determines prices.	b. Division of Labor
d. Splitting production into specialized tasks.	c. Supply and Demand
f. Economy with little or no government control.	d. Invisible Hand
a. Government-controlled trade to grow national wealth.	e. Self-Interest
d. Individual choices unintentionally benefit society.	f. Free Market

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