

ECONOMICS 265, SPRING 2007

*The Wealth of Nations*, chapters IV, V and VI: Focus Questions

1. How does Smith analyze the emergence of monetary exchange? And what special reasons does he see for (a) the use of the precious metals as money, and (b) the development of coinage?
2. What is the meaning of Smith's distinction between "real" and "nominal" price? And what is the use of this distinction?
3. What principle does Smith employ for decomposing the price of a commodity into its "component parts"?

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