

## **NOTE**

**We have posted the following questions on discussion forum, expecting your participation. These questions are additional resources only and should NOT substitute your official study material. We will post topics on weekly basis as indicated on the 'Discussion forum schedule' document uploaded in 'Additional resources'.**

### **Study unit 1: Mercantilists, physiocrats and classical forerunners**

1. In what ways can we identify the role played by the mercantilists in wealth creation? How is this role related to the definition of wealth according to the mercantilists?
2. Do you really see physiocracy as a reaction to mercantilism? Do the two schools (mercantilism and physiocracy) define wealth in the same way? Justify your answers in both questions.
3. Do you see David Hume's principle of price specie-flow mechanism as supporting the mercantilist idea of bullionism, which encouraged the stimulation of exports and discouraged the imports?

### **Study unit 2: Adam Smith**

1. What is meant by Adam Smith's "invisible hand" theory? Do you see this theory applying in our times?

### **Study unit 3: Malthus, Ricardo and Mill**

1. On what grounds did Malthus support the Corn Laws? Would you have agreed with him if you had lived in his time?
2. How does Ricardo's theory of distribution of income suggest a conflict of interest between: (i) workers and capitalists, (ii) landowners and the rest of the society? [Hint: read Ricardo's views on wages, profits and rent].
3. How does Mill's definition of exchange value differ from that of his classical predecessors?