



## Adam Smith

“He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By ... directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, **led by an invisible hand to promote an end**

**which was no part of his intention.** Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it.”

From ***An Inquiry into the Nature and Causes of the Wealth of Nations, Book IV, Chap. 2*** by Adam Smith.

1. Who is the “*he*”, or the person, group or subject, that Smith is referring to in this passage?
2. What does Smith mean when he says, “*he intends only his own gain?*”
3. What is the “*public interest*” that Smith is referring to?
4. What does Smith mean when he says, “*led by an invisible hand to promote an end which has not part of his intention.*”
5. Do you agree or disagree Smith’s contention that when a business person pursues “*his own interest he frequently promotes that of society?*” Explain your thoughts.

# Khan Academy: Introduction to Economics

Tonight watch the Khan Academy video, *Introduction to Economics*, and answer the following questions.

1. What nationality was Adam Smith?
2. In what year did he publish the Wealth of Nations?
3. What other important document or event occurred in this year?
4. Do you agree with the contention that people's self interest leads to the greater good.
5. Define Microeconomics
6. Define Macroeconomics
7. What are examples of scarce resource?
8. What role does mathematics play in economics?
9. What is the danger of using math in economics?
10. What does the speaker mean when he says that economics needs to be taken with a "grain of salt?"
11. Do you think social sciences, like economics, are similar or different than sciences like biology, physics, and chemistry? Explain.