

KNTV: PHILOSOPHY

ADAM SMITH

Programme-related questions (and answers)

1. Where did Adam Smith come from, and when was he alive?
(He was born in Scotland and lived from 1723 to 1790.)
2. How does the law of supply and demand work?
(If there's a shortage of apples, prices will rise. But as more customers want to buy apples, more people will start selling them to meet the demand, so the price will come down. If too many apples come on to the market, prices will drop even further. Some suppliers might be left with a surplus and will drop out of the market. In a free market, the law of supply and demand regulates the available quantity of any product.)
3. What did Smith say was guiding the market to make sure that customers get what they want at a fair price?
(He said an 'invisible hand' was guiding prices and ensuring that most people could afford them.)
4. Why did Smith think fair competition was important?
(He believed the market would become unbalanced if one group of suppliers had an unfair advantage over another.)
5. What happened when Germany was hit by hyperinflation in the 1920s?
(Prices rose so much that a loaf of bread cost wheelbarrow-loads of money.)
6. What kind of student was Adam Smith?
(He was bone idle and sat around in his armchair for months.)
7. What did Smith read at university that made his professors disapprove of him?
(The writings of the atheist philosopher David Hume, who had a far-reaching influence on Smith's ideas.)
8. How did Smith get on with women?
(He never married, but lived with his mother until she died.)
9. What was the Scottish education system like in Adam Smith's day?
(It was the best in Europe. The French philosopher Voltaire said, 'We look to Scotland for all our ideas of civilisation.')
10. What was the Scottish Enlightenment?
(It was an era of intellectual development, when a small group of great Scottish thinkers advanced their ideas of culture and philosophy.)
11. What was the title of Smith's famous book?
(Its full title was An Inquiry into the Nature and Causes of the Wealth of Nations.)
12. Name one advantage and one disadvantage of the free market economy in today's world.
(Advantages: many people have more money; international trade can thrive; there is wider choice for consumers; people can rise from humble beginnings and succeed. Disadvantages: small companies can't compete with giant conglomerates; society is unfair, and there is a gulf between rich and poor; people are too greedy and think only of money.)