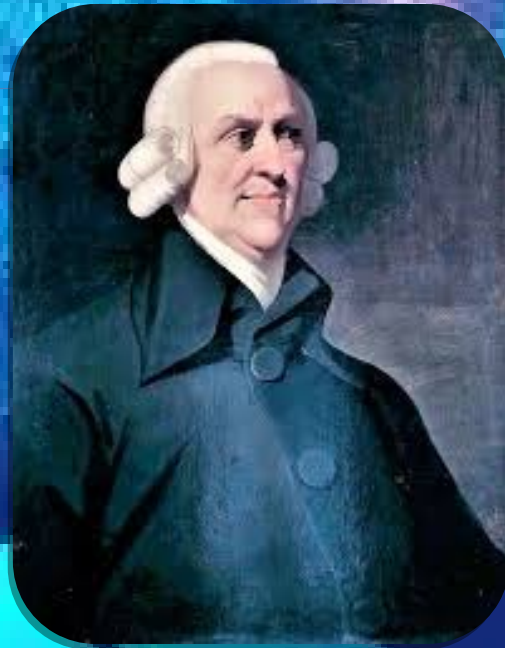


ADAM SMITH

(1723-1790)

Father of Economics



Publication

1. Theory of Moral Sentiments in 1759
2. An Enquiry into the Nature and Causes of the Wealth of Nations in 1776.

Division of Labour

“Labour is the source of wealth of a Nation”

Advantages of Division of Labour

1. Increased Output
2. Increase in the dexterity(Skill) of workers.
3. Saving in time.
4. Introduction of Machinery

Disadvantages of Division of Labour

1. Monotony of work
2. No pleasure
3. Immobility of Labour

Value theory



Two kinds of Value

1. Value in use.
2. Value in exchange

Wage Theory

Masters could not reduce wages below a subsistence rate

Factors for differences in money wages

1. Agreeableness of the employment
2. Cost of learning the skill
3. Constancy of employment
4. The trust reposed in the workman, and
5. Probability of success

Rent Theory

Rent is monopoly price

Profit and Interest

The increase of stock, which raises wages, tends to lower profit.

CAPITAL

Capital limits Industry

Three forms of Capital

1. Instruments of Production
2. Fund maintaining the workman
3. Source of revenue





The Role of Money

A circular collage of various city skylines, including recognizable buildings like the PwC tower and the CN Tower, arranged around a central globe. The globe shows the continents of North and South America. The text "Laissez faire and the Harmony of interest" is overlaid in a bold, red, sans-serif font across the center of the image.

Laissez faire and the Harmony of interest

Role of Government

The background is a vibrant blue gradient. It features several semi-transparent data visualization elements: a line graph with an upward-pointing arrow on the left; a world map composed of small blue squares in the center-right; a bar chart with vertical bars of varying heights in the lower-middle; and a series of white concentric circles on the bottom-left. Three white, elongated, arrow-like shapes point from the bottom-left towards the center of the image.

Canons of Taxation of Adam Smith

- ❖ Canon of Equity
- ❖ Canon of certainty
- ❖ Canon of convenience
- ❖ Canon of Economy

Influence of Physiocrats on Adam Smith

**Critical Estimate of Adam
Smith's contribution to
economic thought and
policy**

A background of red, vertically pleated curtains with a central opening. The text 'THE END' is centered in a bold, yellow-green, serif font.

THE END