

AP U.S. Government Worksheet

Adam Smith's *The Wealth of Nations*

Name: _____

Date: _____

Class: _____

1. Who was Adam Smith?

Fill in the blanks.

- Adam Smith was a _____ economist and philosopher.
- He lived from _____ to _____.
- He is considered the father of _____ economics.
- His most famous book is _____.
- It was published in _____.

Vocabulary

Define each term.

Capitalism

Free Market

Competition

Supply and Demand

Division of Labor

Self-Interest

Laissez-faire

Monopoly

Tariff

Key Ideas

Match the idea with the description.

Idea	Letter
A. Invisible Hand	_____
B. Division of Labor	_____
C. Competition	_____
D. Free Trade	_____
E. Limited Government	_____

Descriptions

___ Businesses specialize in one task to increase productivity.

___ Government should interfere as little as possible in the economy.

___ Countries benefit from buying and selling with each other.

___ Individuals pursuing their own interests can benefit society.

___ Businesses compete to lower prices and improve quality.

Government's Role

Adam Smith believed government still had important jobs.

List the three major responsibilities.

1.

2.

3.

AP Government Connections

Which constitutional principle best supports free-market capitalism?

A. Popular Sovereignty

B. Federalism

C. Limited Government

D. Judicial Review

AP Exam Tip

For AP U.S. Government, remember that **Adam Smith is associated with:**

- **Free-market capitalism**
- **The Invisible Hand**
- **Division of Labor**
- **Competition**
- **Limited government in the economy**
- **Free trade**
- **Influence on the U.S. economic system and Founding-era ideas about economic liberty**