Adam Smith and capitalism

**Vocabulary:**

🡪 capitalism 🡪 free trade

🡪 comparative advantage 🡪 free market

🡪 division of labor 🡪 “the invisible hand”

🡪 *laissez-faire* 🡪 supply and demand

🡪 import 🡪 export

🡪 tariffs 🡪 a good

🡪 a service

1. How many pizza restaurants do you think there are in New York? Name five.

2. What do you usually pay for a slice of pizza? What is the maximum amount you would pay?

3. How did there get to be so many pizza places in New York?

4. Have you ever wanted something enough you paid extra money for it on ebay?

5. If you have a lemonade stand, why do you charge 25¢ for a glass of lemonade and not $25 or $250?

6. What is an example of a good or service that comes in a range of prices? Like the pizza example above. Give a range of that good or service, from cheap to expensive.

7. Why does the US import oil from Saudi Arabia? Why does the US import diamonds from Zimbabwe and South Africa? Why does the US import champagne from France? Why does the US import wo0l from New Zealand? Why do other countries import technology invented in Silicon Valley, California?