

EE401 POLITICAL ECONOMY
Semester 2/2016

ESSAY ASSIGNMENT

Reading

Smith, Adam, 2000. *The Wealth of Nations*. Introduction by Robert Reich, ed. with notes, marginal summary, and enlarged index by Edwin Cannan. New York: The Modern Library (first published 1776).

Book IV Chapter II: Of Restraint upon the Importation from Foreign Countries of Such Goods as Can Be Produced at Home

Question:

In this chapter, Smith is arguing for free trade and the invisible hand of competitive markets. Do you think Smith's argument still holds true today with modern capitalism characterized by the following:

- (1) Rapid technical progress;
- (2) Large corporations in the domestic economy, multi-national corporations in the international economy; and
- (3) Huge international trade and capital movement?

Final Submission: Wednesday 19 April 2016, 14:00 hr.

A draft for Lecturer's comments before final submission is welcome.

Writing Guidelines:

1. No longer than 4 pages of A4 paper with **the top, left, bottom and right margins of at least 1 inch**.
2. Use Times New Roman 12 pt font with single space.
3. **Do not write long paragraphs**. Each paragraph should contain only one single point of important argument followed by supporting discussion.
4. Discuss your points logically and systematically. Do not contradict yourself.
5. **Use economic reasoning and real world examples carefully**. Numerical data should be presented in tables or diagrams with sources.
6. Caution against using common-sense arguments from the media; they are mostly misleading, sentimental and ill-informed.
7. Formal style of quotation and referencing is not needed.
8. Submit your essay by the deadline. Points will be deducted for late submission.
9. Plagiarism will receive severe penalty.