

Quiz

Literature, Russian Literature



The mercantile movement refers to a revolution movement that was began by the businesspersons and merchants to enlighten the rest of the society on issues relative to the universal economy and markets in England during the 17th and 18th century. Ideas of economic, markets and value of business dominated the age of mercantilists. However, numerous critics of this idea of mercantilist emerged with divergent views. The views of Sir James Steuart and John Law will be discussed (OBrien, 103).

Question 1

John Law unlike other economists supports the idea of paper money fronted by Boisguilbert. Law argues that with the advocating for use of paper money the cost of gold and silver will radically reduce. Law's assertion that the value of goods is independent of the quantity of money made meaning and answered questions on the freedom to purchase any quantity of a product on an agreed price or cost. In addition, Law believed that. If paper money was in use trade will be made easier and the level of demand and supply will be eventually influenced. On the other hand, the James Steuart argues on the need for demand in the industry, which will result to a certain level of supply, which can take both regular and irregular trends. This situation creates competition in the market milieu and helps in increasing the quality of products in the most natural manner. This implies that with help of paper money, a product will bought or sold at its value.

Question 2

In the case of the Allan Meltzer's assertion on redistribution and sustainability, the problem of capitalism is created by unequal distribution of resources and income. This aspect does not only affect a particular group of

class of people, but also the universal economic structure of a country.

Meltzer asserts that capitalism has grown because of leaders' hostility to reward their selfish interests. Meltzer argues that, the wealth generated by the market system should be equally redistributed to ensure a strong economic foundation (OBrien, 115).

Work Cited

OBrien, D P. *The Classical Economists*. Oxford: Clarendon Press, 1975. Print.