

4. Specialisation

1. Identify the process being referred to in the following passage:

“A workman not educated to this business...could scarcely make one pin in a day, and certainly could not make twenty. But in the way in which this business is now carried on...it is divided into a number of branches...One man draws out the wire, another straightens it, a third cuts it, a fourth points, a fifth grinds at the top for receiving the head; to make the head requires two or three distinct operations; to put it on is a peculiar business, to whiten the pins is another; it is even a trade by itself to put them into the paper.”

Source: *An Enquiry into the Nature and Causes of the Wealth of Nations* (1776), Adam Smith

The process referred to by Adam Smith is known as the _____ of _____

2. True or False

2.1 Productivity is defined as the total output of a firm.

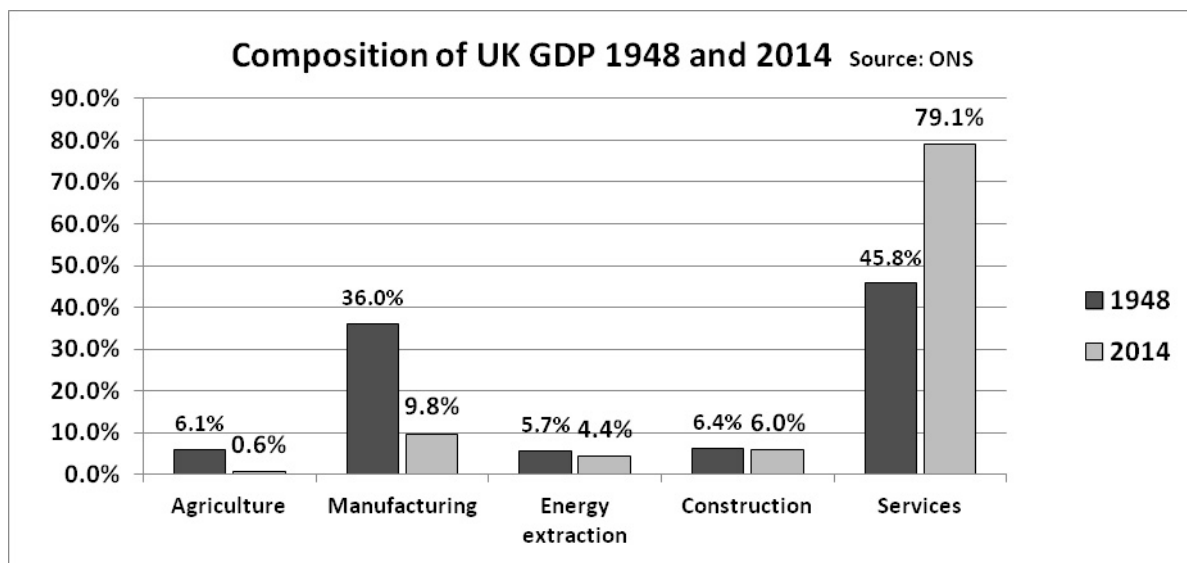
2.1 One of the advantages of the above process is that productivity falls.

2.3 A potential drawback of the process mentioned in the passage is that individual workers find their job boring.

2.4 As a consequence of the process described in the passage, consumers may benefit from lower market prices.

3. Identify 2 further advantages and 2 further disadvantages of the process mentioned in the passage:

4. Data Analysis- UK GDP attributed to headline industries (1948 & 2014)



4.1 Between 1948 and 2014, in which sector has the UK become more specialised? _____

4.2 Part of the reason for the boom in this sector has been a huge increase in UK exports of financial products. How might specialization help the international competitiveness of an industry such as banking and finance?

4.3 What reasons might explain the decline in manufacturing? Outline 3 potential reasons.
