

5.7 Economic Developments and Innovations in the Industrial Age

Name: _____ Class: _____ Date: _____ **Total: 12 marks**

KEY WORDS free trade 自由贸易 • industrial capitalism 工业资本主义
• transnational businesses 跨国企业 • capital 资本 • standards of living 生活水平

Objective

Build the skills to explain **industrial capitalism** 工业资本主义.

You must be able to:

- state what Western European countries abandoned and adopted
- state what large transnational businesses relied on
- state the CED’s careful claim about standards of living
- explain why ‘for some’ is the whole argument

1 Worked examples

Study these first. Each one shows the method for a task used later.

■ Free trade

Western European countries began **abandoning mercantilism and adopting free trade policies**, partly in response to the growing acceptance of **Adam Smith’s theories of laissez-faire capitalism and free markets**. 4.5’s mercantilism is what is being abandoned.

■ Transnational business

The global nature of trade and production contributed to the proliferation of **large-scale transnational businesses that relied on new practices in banking and finance**.

■ Standards of living

The development of industrial capitalism led to increased standards of living **for some**, and to continued improvement in manufacturing methods that increased **the availability, affordability and variety** of consumer goods.

■ ‘For some’

Two words carrying the whole distributional argument. 5.8 and 5.9 are the CED’s account of who the some were not.

2 Practice

2.1 State what was abandoned and adopted, and the theory behind it. [2]

2.2 State the CED’s three-part claim about consumer goods. [3]

2.3 The CED writes “for some”.

(a) State what those two words do. [1]

(b) State which subtopics develop the other side. [1]

3 Exam-style questions

3.1 Large-scale transnational businesses relied on new practices in [1]

- **A** banking and finance
- **B** agriculture
- **C** military logistics
- **D** shipbuilding only

3.2 The theories the CED names are those of [1]

- **A** Karl Marx
- **B** Adam Smith
- **C** Charles Darwin
- **D** Simón Bolívar

3.3 A society's goods become cheaper and more varied while many workers' conditions worsen.

(a) State what this illustrates. [1]

(b) Explain why both must appear in one answer. [2]

Solutions

2.1 mercantilism was abandoned and free trade adopted, partly from acceptance of Adam Smith's laissez-faire theories.

2.2 increased availability; affordability; variety.

2.3 (a) they limit the gain to a part of the population. (b) 5.8 and 5.9.

3.1 A. banking and finance.

3.2 B. Adam Smith.

3.3 (a) that industrial capitalism's gains were unevenly distributed. (b) the CED's own sentence contains both, so an answer with one is not the CED's claim.