

Task 2

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Instruction: Watch the video and answer the questions IN THE SPACE PROVIDED.

Tip: You should turn on English subtitles. You should also read the questions first.

Your answer does not need to be long.

Video: <https://www.youtube.com/watch?v=XsRk9RThGt0&t=1s> (Main Video)

<https://youtu.be/5RDMdc5r5z8?t=111> (Key Diagram)

1. What are the four ways to spend money according to Milton Friedman?

1. spend own money on yourself
2. spend own money on someone else
3. spend someone else's money on yourself
4. spend someone else's money on someone else

2. How does each of the four ways differ? (Hint: watch the second video.)

1. Economize and seek highest value
2. Economize but don't seek highest value
3. don't but seek highest value
4. don't economize nor seek highest value

3. Give real-life examples of the four ways to spend money.

1. shopping in supermarket
2. buying someone a gift
3. lunching on an expense account
4. paying for someone else's lunch on an expense account

4. According to Milton Friedman, which way to spend money is the least efficient?

spend someone else's money on someone else

5. What is the key message from the video?

1. strong incentive both to economize and get as much as you can
2. the same incentive to economize but not the same value of your money
3. no strong incentive to keep cost low, but have incentive to get money worth
4. little incentive to economize but have incentive to satisfy yourself at the sacrifice of money

6. At the end of the second video, the speakers mention that public/government schools have some

problems. Do you think private schools better address the same problems? Why or Why Not?

No because private schools spend someone else's money on yourself so it will make effective value