6304640284 Harushige

Task 1

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.

Video: https://www.youtube.com/watch?v=4ERbC7JyCfU&t=331s

1. What is the economic system that is central to this video? (Hint: in the very beginning)

   Free Market

2. State the full economic definition of the system mentioned in Question 1. (Google!)

   A system in which the prices for goods and services are self-regulated by the open market and consumers. And the laws and forces of supply and demand are free from any intervention by a government or other authority.

3. According to the video, why is it that nobody in the world knows how to make a pencil?

   You would to know everything about how to start from iron ore and coal and get iron and convert it into saws and cut down trees but that's only the beginning.

4. According to the video, WHY did the rubber trees get imported into Malaysia?

   Private enterprises are trying to make some money.

5. According to the video, what mechanism has led to the creation of a pencil?

   Price system

6. What is the "driving force" behind millions of transactions that lead to the creation of a pencil?

   Because they's better off and benefited.

7. What are other "virtues" of the mechanism greatly emphasized in the video?

   Enables you to have cooperation among millions of people peacefully that have different with you.

8. What is the "necessary condition" for the mechanism to function effectively? (Hint: around the 8th minute of the video)

   Both parties to a transaction can benefit