

Task 2

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.) You spend your own money on yourself. 2.) You spend your own money on someone else.
 3.) You spend someone else's money on yourself. 4.) You spend someone else's money on someone else.

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

- 1.) You spend your own money on yourself, you will economize and seek the highest value.
 2.) You spend your own money on someone else, you will economize, but don't seek the highest value.
 3.) You spend someone else's money on yourself, you won't economize, but seek the highest value.
 4.) You spend someone else's money on someone else, you won't economize and seek the highest value.

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

- 1.) You purchase the same course, you expect the best result from the money you spent.
 2.) You give gifts to other people and you take people out to dinner.
 3.) You are out to lunch with your boss on an expense account but you are spending it on yourself.
 4.) You are a distributor of welfare funds and you help the sufferers.

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

4.) You spend someone else's money on someone else.

5. What is the key message from the video?

The government unaccountably spends taxpayers' money on someone else which is quite thoughtless and won't economize and get the highest value. On the other hand, if they spend money for their own, they will be careful and seek for the highest benefit as much as they can.

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, In private schools, parents are spending money to get the efficiency for their children only, like you spend your own money on yourself. Therefore, if the students are smart, the schools will be popular. But in public schools, they receive money from the government, which is people's tax, and use some of it with children, like you spend someone else's money on someone else.