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!)

   Free market, an unregulated system of economic exchange, in which taxes quality controls, tariffs and other forms of economic interventions by gov. do not exist.

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

   It's hard since people need to know all the sources of materials and all process of a pencil.

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

   It was imported by private enterprises trying to make money.

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

   The price system

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

   Each one of them in transaction think that they're better off and benefit.

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

   The price system enables people to cooperation peacefully. It doesn't require any central direction and doesn't require people to be the same religion. It bring people together and doesn't occur that it is a complicated mechanism.

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

   Both parties can benefit provided it is voluntary and not coerced.