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!)

   An economic system based on demand & supply without government control.

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

   There are a lot of processes to make the pencil.

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

   Malaysia enterprise want to make some money

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

   Price mechanism

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

   Each one of them thinks he is better off than others in the transaction.

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

   Due to when we buy something, we do not know who produce resulting in peacefulness because no required any central direction, talk to the same language, or the same religion. Thousand of people engage in the simple transaction without abuse

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 receive benefit. It is voluntary and not coerced.