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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" (Milton Friedman talked about the real nature of freedom economic and political and the interrelationship between the two.)

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

Free market is a system in which prices for goods and services are self-regulated by the open market and by consumers, including innovation, lower cost of goods, ease of starting a business, and open competition.

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

nobody in the world knows how to make a pencil because pencils use a lot of natural elements such as wood to sharpen pencils rubber and also graphite, beside that the pencil has more complex method to product.

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

the rubber tree was not native to Malaysia it was originally imported into Malaysia by private entrepreneurs trying to make some money.

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

price mechanism / machinery

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

miracle of the price system / self interest / how to find own interest

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

Milton Friedman he talked about "price system". price system so long as it is working so long as it's operating so long as it's being bringing people together.

price system which has the great virtue that it doesn't require any central direction.

use a pencil to illustrate how the free market price system promotes cooperation and harmony among those with no common interest.

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

Everyone cooperate together with willingness it made the outcome will be get benefit.