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?

Spending your own money on yourself, spending your own money on someone else, Spending someone else's money on someone else, spending someone else's money on yourself

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

Spending your own money on yourself seek highest value and economize

Spending your money on someone else is economize but doesn't seek the highest value

Spending someone else's money on someone else is not both economize and seeking highest value.

Spending someone else's money on yourself is not economize but seeks the highest value.

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

1. I buy myself a pair of shoes.
2. I buy toys for my brother.
3. I use my friend's money to buy her lunch.
4. My friend buys me a gift.

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

Spending someone else's money on someone else.

5. What is the key message from the video?

The video is trying to explain different behaviors of people when spending whethe their own money or other's money on themselves or other people. People tend to economize while choosing the best thing when they spend their own money on themselves, economize while maybe not choosing the best when spending their own money on others, don't economize and don't seek the highest value when spending others money on others, and don't economize but trying to choose the best when spending others money on them-selves

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?

Yes, I think private schools better address the same problems. While they may have the same problem that teachers doesn't spend their own money on students, so they may not provide the students with the best education that worth the tuition fee. However, the difference comes in when it's a private property. In public schools, the schools belong to the government, and there is someone in charge of the spending of money in school and that someone may not think much about the spending. But for private school, there is an owner, it's true that he may economize, but still he will have to spend and give the students the best as possible to make the school's reputation good and impress the parents which are the customers.