

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)

A free market work to enable millions of people to cooperate peacefully together.

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

An economic system is a system of production, resource allocation, exchange and distribution of goods and services in a society or a given geographic area.

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

A pencil consists of many materials that come from many sources.

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

Private enterprises trying to make some money and transplanted it from somewhere in South America.

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 in transaction are better off.

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

The price system enables you to have cooperation among millions of people peacefully cooperating on one little phrase of their life well.

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

It is voluntary and not coerced.