

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 economic system

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

The free market is an economic system based on supply and demand with little or no government control. It is a summary description of all voluntary exchanges that take place in a given economic environment.

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

To know how to make a pencil you would have to know everything there is to know about how to start from iron ore, coal and get iron to convert into saws and cut down trees, It like you have to know almost

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

Private enterprises trying to make some money.

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

Price mechanism has led to the creation of a pencil.

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

Every people think they're better off in this transaction.

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

It make many people have cooperated with one another even they don't speak the same language or there are people of all different religions, it bringing together various components all together into little pencil.

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 can benefit, provided it is voluntary and not coerced.