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?

1) You spend your own money on yourself 2) Spend you own money on someone else.

3) You spend someone else's money on yourself. 4) You spend someone else's money on someone else

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

First way → Economize and seek highest value

Second way → Economize, but don't seek highest value

third way → Don't economize, but seek highest value.

Fouth way → Don't economize and don't seek highest value

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

First way → you shop in a supermarket

second way → you shop for christmas or birthday presents

third way → lunching on an expense account

fouth way → you are paying for someone else's lunch out of an expense account

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

Forth way that you spend someone else's money on someone else

5. What is the key message from the video?

First way = you clearly have strong incentive both to economize and get as much as you can.

second way = you have the same incentive to economize but not same to get full value for your money.

thrid way = you have no strong incentive to keep down the cost, but you have incentive to get money worth.

forth way = you have little incentive to economize, but you have incentive to satisfy yourself at the sacrifire of other money.

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?

Private schools better than public or government schools because Public / Government schools are like spend someone else's money on someone else so it will not make efficient, but the private schools spend someone else's money on yourself so it will make effective value.