

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)

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

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

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

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

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

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

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

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