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Economics 1740

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e-Portfolio Assignment

1. Professor Milton Friedman’s research led him to believe in the power of land.

**Answer #1: Free market economy**

**Answer #2: Political Freedom**

2. If the government gives everybody the same freedom to work . . . some will do better than others. The result

will be \_\_\_\_ , but not \_\_\_\_ .

**Answer #1: Equality of opportunity**

**Answer #2: Equality of outcome**

3. After World War II, Hong Kong became a refugee camp with millions of extremely poor people. Hong Kong

had no \_\_\_\_\_\_\_, no \_\_\_\_\_\_\_\_\_\_\_\_\_ and little \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. But almost by accident it was

given \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. . . . As a result, Hong Kong became an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Answer #1: Prospects**

**Answer #2: Natural Resources**

**Answer #3: Little land to be cultivated**

**Answer #4: Economic Freedom**

**Answer #5: Economic power house**

4. In the small Baltic country of \_\_\_\_\_\_\_\_\_, Prime Minister Mart Laar took his inspiration from Professor

Friedman’s book Free To Choose. What three things did he do to imitate the Hong Kong model?

**Answer #1: Estonia**

**Answer #2: Zero tariffs**

**Answer #3: Flat tax**

**Answer #4: Minimum of Regulation**

45. Adam Smith’s concept of the “invisible hand” was illustrated in the example of buying a tomato. The

following 3 points were made:

 We vote with our \_\_\_\_\_\_\_\_\_\_\_\_.

 Every purchase \_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

 To make your life better, you have to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Answer #1: Pocket books**

**Answer #2: sends a message**

**Answer #3: better the lives of others**

6. Economists call the constant renewal of the economy \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. To increase our wealth and

opportunities, we have to stop doing old things in \_\_\_\_\_\_\_\_\_\_ and start doing innovative things in

\_\_\_\_\_\_\_\_\_\_\_.

**Answer #1: Creative destruction**

**Answer #2: Old ways**

**Answer #3: Better way’s (more creative)**

7. Swedish entrepreneurs are the \_\_\_\_\_\_\_\_ in the world. Young Swedes and entrepreneurial immigrants have

moved from Sweden to Britain and the U.S. because the \_\_\_\_\_\_ are much greater there, where \_\_\_\_\_\_ are

lower.

**Answer #1: Oldest**

**Answer #2: Re-wards**

**Answer #3: Taxes**

8. The Founding Fathers had learned the lesson of history. The great danger to freedom is the

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, especially in the hands of a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Answer #1: Concentration of power**

**Answer #2: Government**

9. As Milton Friedman said, “The society that puts equality before freedom will \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The society that puts freedom before equality will end up with a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.”

**Answer #1: End up with neither**

**Answer #2: Great measure of both**

510. Professor Friedman compares the concept of “equality of opportunity” to a race where everyone begins at the starting line at the same time. In contrast, “equality of outcome” guarantees that everyone finishes at the same time. Today, “equality of outcome” is referred to as “fair shares for all.”

If we applied the “fair shares for all” concept in this class, all students would receive an average grade of “C.”

This would be accomplished by taking points away from students earning A’s and B’s to give to students

earning D’s and E’s. Distributing points equally would result in “fair grades for all.”

 Would you approve of this method in calculating your final grade? Why or why not?

 How would this differ from “fair shares for all” economically?

For example, what’s the difference between a successful student being required to give up some of

his/her hard-earned grade and a successful person being expected to give more of his/her hard-earned

income? If you support “redistribution of income and wealth,” shouldn’t you also be willing to

redistribute academic grades? After all, many of your fellow students may not have had the advantages

in education and upbringing that you’ve had.

 Address the above questions in your own words, in a minimum of 3 paragraphs.

The phrase E Pluribus Unum (we are one) comes to mind for determining this method of calculating final grades. We as humans are stronger in numbers than when we are divided into few. If everyone achieves the same grade then there shouldn’t be much competition in the job market and equal pay for everyone. After all, “we are all created equal” and have the same opportunities, right?

 I don’t agree with this method of grading scales simple because not everyone has the same opportunities and plan for success. For instance I may get a better grade because I have full time access to the internet while someone else had little access to internet and gets a poor grade. There is a glitch, somewhere in the timeline where I have chose “self interest” to have all means available to be successful and the priorities of the other student were not to achieve a better grade.

The fair share grading scale differs economically due in part that money is involved. I feel that a student who continues to work hard and put in hours studying would eventually fade. It would get upsetting always scoring low because of others laziness. It seems as though in a “fair shares for all” economy you would simply get a job doing what you’re qualified for, not the lack of commitment. I also think that people’s work ethic would seriously decline and the ambition to excel in the career field would.

**Part Two, Reflective writing**

After watching the free or equal video, documenting Professor Milton’s Friedman’s research I felt engaged with a part of society that I am rarely cognitive to. The video brought me closer to understanding the importance of being free and having personnel goals. For instance the man in Hong Kong who started his own business creating tin pots in a free economy was willing, able and free to start a business. Whereas a carpenter, plucked from his life and drafted into the military against his will would no longer be free of self interest and able to employ his contribution to the economy.

I like to think of the economy as one big living organism, constantly changing with the influence of good and bad. When it’s healthy and nutrients are being supplied it grows, when the organism looses nutrients it slows down. Some nutrients are better than others and make a sudden difference and create rapid growth within the cell others keep things neutral and/or promote a struggle.

I’m intrigued to learn more about economic growth and that the driving force behind. Freedom seems to be a huge part in a healthy economy which is important to me. Having political freedom and equal opportunity is what makes humans happy and creates the desire to achieve greatness.