

Guided Reading 11.1 THE EVOLUTION OF MONEY

On your own paper, answer the following questions as you read Chapter 11, Section 1 (Pgs 285-290)
You do not have to write the question so long as you staple the questions to your answer sheet when finished.

- Q1.** What is a *barter economy*?
2. What is a “mutual coincidence of wants”?
3. Define *money* and *medium of exchange*?
4. Where does the term salary come from?
5. What does *measure of value* mean?
- Q6.** How does something serve as a *store of value*?
7. What things were used as money in ancient China, early Russia and East Africa?
- Q8.** What is the difference between *commodity money* and *fiat money*?
9. List 4 things used as *commodity money* during Colonial America and one used as *fiat money*.
10. What was the money printed by the gov’t during the Revolution called and what happened to it after they printed too much of it?
11. What is *specie* and why was it the most desirable form of money in the colonies (2 reasons)?
12. Describe one way Spanish pesos ended up in the American Colonies?
13. What was the nickname for pesos and where does the nickname come from?
- Q14.** List the **3 characteristics** money must have for it to be used successfully?
15. What does portable mean?
16. Why does money need to be durable?
17. When does money lose value?
18. Read the Cybernomics Spotlight box on page 286... what is the advantage of paper/coin money?

Grading: 3pts = All 18 2pts = 9-17 answered 1pt = 1-8 answered 0pts = 0 answers

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