# **What is Money? Comprehension Check**

1. What kind of currency is used in Brazil?
   1. Dollar
   2. Real
   3. Ruble
   4. Naira
2. What is considered the first true type of cryptocurrency?
   1. Litecoin
   2. Bitcoin
   3. EOS
   4. Dogecoin
3. What services did the first banks provide (check all that apply)
   1. Kept valuable items (like gold) safe
   2. Provided people with checks
   3. Kept money safe
   4. Provided small loans for a fee
   5. Paid customers interest
   6. Allowed people to store their cryptocurrency
   7. Allowed customers to bring in gold and exchange it for paper banknotes
4. Sequence the historical events to describe how money has changed over time.
   1. Metal coins were developed but they were challenging to carry around.
   2. People used items like beads, shells, stones, or beans as a medium of exchange.
   3. People began to mark or stamp their money to ensure it was real.
   4. Bartering was used to exchange goods and services without money.
   5. Governments began creating their own currencies.
   6. Banks and banking services began to develop into what we recognise today.
   7. Banks began creating paper banknotes, or bills, for their customers.
   8. Some people started to debase money and make it less valuable.
5. What is bartering?
6. List three forms of money used today.
7. What is the purpose of a central bank?
8. What is debasement?
9. Use the information on pages 24-27 to explain how paper money became valuable.
10. Explain how people “mine” Bitcoin.

# **What is Money? Comprehension Check Answer Key**

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   7. Allowed customers to bring in gold and exchange it for paper banknotes
4. Sequence the historical events to describe how money has changed over time.

Correct sequence: d, b, h, c, a, g, e, f

* 1. Metal coins were developed but they were challenging to carry around.
  2. People used items like beads, shells, stones, or cocoa beans as a medium of exchange.
  3. People began to mark or stamp their money to ensure it was real.
  4. Bartering was used to exchange goods and services without money.
  5. Governments began creating their own currencies.
  6. Banks and banking services began to develop into what we recognise today.
  7. Banks began creating paper banknotes, or bills, for their customers.
  8. Some people started to debase money and make it less valuable.

Another way to view the correct sequence for Question 4:

* Bartering was used to exchange goods and services without money.
* People used items like beads, shells, stones, or beans as a medium of exchange.
* Some people started to debase money and make it less valuable.
* People began to mark or stamp their money to ensure it was real.
* Metal coins were developed but they were challenging to carry around.
* Banks began creating paper banknotes, or bills, for their customers.
* Governments began creating their own currencies.
* Banks and banking services began to develop into what we recognise today.

1. What is bartering?
   1. Bartering is exchanging goods and services without using money. It is like trading.
2. List three forms of money used today.
   1. Minted coins and paper notes, digital money such as WeChat Pay, and debit or credit cards
3. What is the purpose of a central bank?
   1. The purpose of a central bank is to make sure a currency’s value stays stable and so the economy is more likely to stay stable.
4. What is debasement?
   1. Debasement means making something less valuable. People might debase valuable things such as gold or other forms of currency.
5. Use the information on pages 24-27 to explain how paper money became valuable.
   1. When cash was first invented, people used to carry around individual coins. However, those were quite heavy and became difficult to carry. People in ancient China began to use paper money to represent coins. Although what the paper currency was made of did not hold value like coins or cocoa beans, it was valuable because it was easy to carry and therefore it was more convenient for people.
6. Explain how people “mine” Bitcoin.
   1. People can use their computers to solve math problems embedded in the bitcoin code. If they solve a problem, another is unlocked, and they earn Bitcoin. This process is called “mining.”