

National Institute of Open Schooling
Secondary- Economics(214)
Lesson 14: Money and its Role
Worksheet - 14

1. Before the introduction of money, people exchanged goods for goods. What was this system known as? Explain with suitable examples.
2. "The biggest problem with barter system was that it lacked common units of measurement for the exchange of goods". Justify the statement with the help of an example.
3. Barter system was difficult to execute in practical life, due to the lack of double coincidence of wants. Give a brief description of this feature of barter system.
4. Introduction of money is based on general acceptability for transaction in modern economy. Mention the advantages of money over barter system.
5. Refer Q1, list out the demerits of barter system.
6. Over the period of time, paper currency and coins have evolved as the most feasible means to facilitate domestic and international trade of modern economy. How?
7. "In modern economics, money plays an important role as an acceptable way of future payment as compared to the acceptance of goods." Support the statement with illustrations.
8. "Money can be stored or deposited because it contains the value of goods in the purchasing power". Explain this function of money with a suitable example.
9. Money as a medium of exchange has proved it's supremacy over medium of exchange in barter system. Discuss.
10. Name the currency of the following countries:-
 - USA
 - RUSSIA
 - ENGLAND
 - CHINA
 - KUWAIT
 - BRAZIL
 - BANGLADESH
 - AUSTRALIA
 - SINGAPORE
 - DUBAI