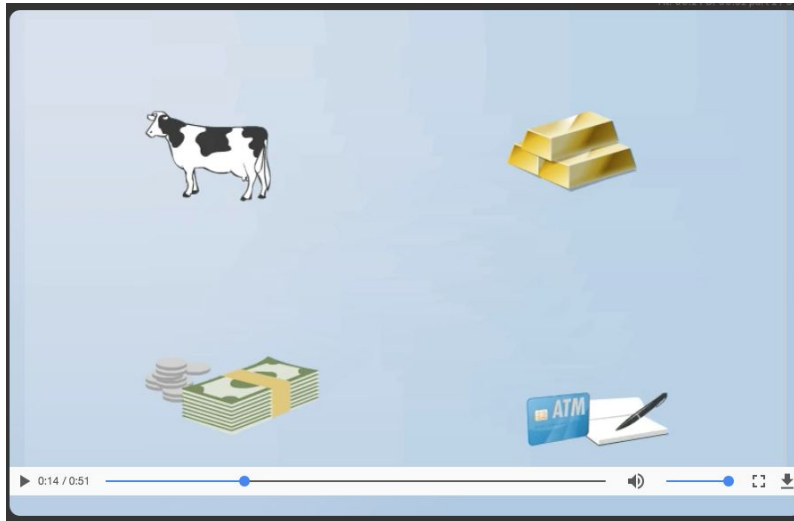


Money

<http://www.econedlink.org/tool/189/>

Throughout civilization's history many different items have been used to buy goods and services. Here are some examples of items that at one point in time were used as money.



To be a good medium of exchange money must be accepted by people when they buy or sell goods and services. It is beneficial for money to be portable so that it is easily transported and used. A good form of money is divisible, meaning that it is easily divided to make payments of different amounts. To be a good standard of value, money should be familiar, divisible and accepted. To be a good store of value money must be durable and have stable value. A high rate of inflation makes money a poor store value. Take a moment to compare these four types of money: Livestock, gold, cash and cheques.

<Interactive activity>

Based on the rankings, it seems clear that checks come out on top as the most effective and convenient form of money available today. Increasingly, more and more money consists of debit card and electronic fund transfers.