$ The History and Evolution of Money

Knowledge Check Worksheet

Name: ____________________________ Date: ________________ Grade: _______

Section 1: Multiple Choice

Circle the best answer for each question.

1. What is BARTER?
   - **A.** Using coins to buy goods
   - **B.** Trading goods or services directly without using money
   - **C.** Borrowing money from a bank
   - **D.** Printing paper currency

2. Where was the FIRST standardized metal coin minted around 600 BCE?
   - **A.** Egypt
   - **B.** Rome
   - **C.** Lydia (modern-day Turkey)
   - **D.** China

3. Which country invented paper money?
   - **A.** Greece
   - **B.** United States
   - **C.** China
   - **D.** England

4. What is "fiat money"?
   - **A.** Money backed by gold reserves
   - **B.** Money made from rare metals
   - **C.** Money that has value because a government declares it does
   - **D.** Digital cryptocurrency

5. What was Bitcoin, introduced in 2009?
   - **A.** A new type of credit card
   - **B.** The first decentralized digital cryptocurrency
   - **C.** A government-issued digital dollar
   - **D.** A type of gold coin

Section 2: Fill in the Blank

Word Bank: barter | commodity | fiat | gold standard | inflation | salary

1. Trading goods or services without money is called ____________________.
2. The word "_________________" comes from the Latin word for salt, because Roman soldiers were once paid in salt.
3. A system where paper money is backed by gold is called the ____________________.
4. Gold and silver are examples of ____________________ money — objects with agreed-upon real value.
5. When the government declares paper has value without backing it with gold, it is called ____________________ money.
6. When prices rise because too much money is printed, this is called ____________________.

Section 3: True or False

Write T (True) or F (False) on the line provided.

1. _____ The barter system worked perfectly and had no problems.
2. _____ China was the first country to use paper money.
3. _____ The gold standard means every dollar is backed by an equal weight of gold.
4. _____ Cryptocurrency is controlled by the US government.
5. _____ Good money must be durable, portable, divisible, limited, and accepted.
6. _____ Marco Polo was amazed by paper money when he visited China.

Section 4: Short Answer

1. What is the "Double Coincidence of Wants" problem with barter? Give an example.

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2. List THREE of the five properties that make something good money:

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3. In your own words, explain why people trust money even though paper bills have no real value by themselves:

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★ ANSWER KEY ★

Section 1 – Multiple Choice

1. B 2. C 3. C 4. C 5. B

Section 2 – Fill in the Blank

1. barter 2. salary 3. gold standard
4. commodity 5. fiat 6. inflation

Section 3 – True or False

1. F 2. T 3. T 4. F 5. T 6. T

Section 4 – Short Answer

1. Both parties must want exactly what the other has. E.g., farmer with wheat needs shoes, but shoemaker doesn't want wheat.
2. Any 3: Durable, Portable, Divisible, Limited, Accepted
3. Accept answers about government trust, social agreement, and collective belief.