# **What is Money? Discussion Guide (for use during or after reading)**

1. Define “money.” (What is Money, p.6-7)
   1. Money is something people exchange for the things they want or need.
2. Why might some European countries have chosen to adopt the Euro as their currency? (All Kinds of Currencies, p.8-9)
   1. Some European countries might have chosen to adopt the Euro as their currency because doing so might help improve their economic stability. In addition, it makes it easier for people who live in European countries to buy, sell, and trade goods and services with one another.
3. According to the banker, why would leaves not make a good currency? (Value, p.14-17)
   1. Leaves would not make a good currency because they are often in high supply and therefore do not have a high demand. When currency does not have a high demand, it loses its value.
4. What was a major problem with bartering and what was the solution? (The History of Money, p.18-19)
   1. A major problem with bartering occurred when communities started to grow larger. This made bartering much more complicated. One solution was to create a medium of exchange. People began using beads, shells, stones, or cocoa beans to buy and sell goods and services.
5. Why were cocoa beans able to sustain as currency for so long? (The History of Money, p.20-21)
   1. Cocoa beans were able to sustain as currency for so long because they had value themselves. People enjoyed eating them and that made them valuable enough to trade/spend.
6. Why did people start marking currency? (The History of Money, p.22-23)
   1. People started marking their currency to help avoid it being debased or losing its value.
7. Why do you think the early Chinese people decided to store their coins in strings of 10 and 100? (The History of Money, p.24-27)
   1. I believe early Chinese people decided to store their coins in strings of 10 and 100 because those numbers are easy to use. Our number system is based on groups of 10 so this was likely the most convenient way to store money.
8. What is an exchange rate? Why do we need to understand it? (eCommerce, p.31-32)
   1. An exchange rate is the price of one currency compared to another currency. We need to know about it to purchase from or sell to people who use difference currencies than we do.
9. Why do some governments restrict or ban the use of cryptocurrency? (Cryptocurrency, p.34-37)
   1. Some governments might restrict or ban cryptocurrencies because they are not controlled by the government. Because they are controlled by a blockchain, some governments might not find them as safe.
10. How are ancient cash coins and Bitcoin alike? How are they different? (Cryptocurrency, p.34-37)
    1. Ancient cash coins and Bitcoin are alike because they both are valued as currency. Although they look different and are used in different ways (cash coins are physical whereas Bitcoin is used only online), they are still accepted as having value and people trade them for goods and services.