

Chp-11 From Barter to Money

Answer Key

PROGRESS

PAGE 159

1. double coincidence of wants
2. storage and transportation
3. store
4. measure

PROGRESS

PAGE 163

1. (✓)
2. (✗)
3. (✓)
4. (✗)

LET US PRACTISE

PAGES 164–165

- A. 1. (c) Double coincidence of wants is required
2. (d) Plastic
 3. (c) Barter system
 4. (c) UPI payments
- B. 1. Cowrie shells
2. money
 3. fiat currency
 4. Banks
- C. 1. A system where goods and services are exchanged directly without using money.
2. Lack of double coincidence of wants.
 3. When two people want exactly what the other person is offering at the same time.
 4. Currency refers to the coins and paper money issued by the government.
- D. 1. Money removed the need for double coincidence of wants, acted as a common measure of value, and made storing and transporting value easier.
2. Debit/credit cards, UPI payments, mobile wallets. (Any two)
 3. Banks store money safely, provide loans, allow digital payments, and help people save and invest.
 4. Digital money allows fast, safe, and cashless transactions using phones and cards, making payments more convenient.
- E. 1. The barter system required double coincidence of wants, lacked a common measure of value, and made storing goods difficult. Money solved these problems by acting as a medium of exchange, a standard unit of value, and an easy way to store and carry wealth.
2. The functions of money in modern times are:

- Medium of exchange
- Measure of value
- Store of value
- Standard of deferred payments

3. Money is anything accepted as a medium of exchange. It is important because we use it to buy goods like food, pay for transport, and save for future needs. Without money, trading would be very difficult.
 4. Money has several important features that make it useful in daily life. It acts as a medium of exchange, helping people buy and sell goods easily without depending on barter. Money also serves as a measure of value, because it provides a common standard for comparing the prices of different goods and services. It works as a store of value, allowing people to save it and use it in the future since it does not spoil or lose value quickly. Additionally, money functions as a standard of deferred payment, making it possible to borrow and repay amounts over time. These features together make money an essential part of modern economic life.
- F.
1. To ensure the authenticity and value of coins and to maintain economic stability in their kingdom.
 2. They displayed the ruler's power, increased trust in the currency, and spread the ruler's influence.
 3. It prevented counterfeiting, ensured uniformity in coins, and made trade more reliable.

ASSERTION-REASON QUESTIONS

PAGE 169

1. (c) (A) is true but (R) is false.
2. (a) Both (A) and (R) are true and (R) is the correct explanation of (A).

PICTURE-BASED QUESTIONS

PAGE 169

1. Exchange of goods.
2. Barter system; its major drawback: is double coincidence of wants.

HOTS (HIGHER-ORDER THINKING SKILLS)

PAGE 169

If the barter system still existed today. Everyday life would be difficult because you must find someone who wants what you have. Buying transport tickets, snacks, or books would be slow and complicated.

LIFE SKILLS

PAGE 170

Student will do it by themselves.