

What is Currency?

People used to (and still do, to some extent) trade goods directly for other goods. This is known as "barter."

Examples:

Trading silk for spices

Trading a goat for six chickens

Can you see any potential problems with that?

Would you trade your shoes for 160 hot dogs? Why not? They have the same value!

How about trading your house or apartment for a really nice boat?

We don't barter in stores today.

Try going into Walmart to buy a new TV, and offer them a sweater, two pieces of gum, an old tire you found on the side of the road, your pet hamster, a couple of DVD's, and a poem you wrote last year in Language Arts.

Chances are, they'll want money,
or "currency."

The U.S. dollar is a currency.

Currency is something that is used as
a standard medium of exchange;

Something that is valued by a society
that can be traded for almost anything
else.

Characteristics of Currency

You have to be able to measure it
(use a number, perhaps the weight)

Needs to be permanent – not
easily destroyed

There has to be a limited
supply – otherwise, you could
use... dirt

Types of Currency

In the US, we use dollars.

In Afroeurasia, ONE form of currency was GOLD.

Mansa Musa had A LOT of gold.