

Money

WORDS

advantage = good side about something

barter = a system without money; you exchange goods for other goods

bill = a piece of paper money

cattle = cows

civilisation = culture

coin = a round piece of metal that is used as money

common = if a lot of people use something

course of time = as time went on

currency = the money that a country uses

disadvantage = bad side of something

especially = above all

exchange = trade; to give someone something for something else

explain = to make clear; to put in simple words

fixed value = always worth the same

fur = the thick soft hair of an animal

goods = products

grain = seeds of corn, rice, wheat and other crops that are collected and used for food

guarantee = to promise something

gunpowder = material used to make bombs and fireworks

Lydians = people who once lived in today's Turkey

nail = a thin pointed piece of metal that you hit with a hammer

protect = defend, guard

rare = not very often

services = The work that someone does for a person

stamp = to put a sign on a coin

thought to be = said to be

trade = to exchange goods

tribesman = a man who is member of a big family that is ruled by one leader

valuable = worth a lot of money

value = what something is worth

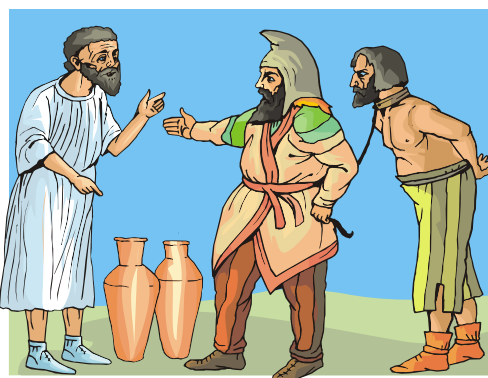
various = different

weigh = how heavy something is

Money is something that is very difficult to **explain**. People in **various** cultures think of money in different ways. A London banker and an African **tribesman** have different ideas of what money is.

Many people think of money as a **currency** - metal **coins** and paper **bills**. We need it to buy the things in life that we need. We also get money for the work that we do. So money is a way of **exchanging goods** and **services**.

The History of Money



In early **civilisations** people did not have money. They **traded** objects. Maybe a hunter had more animal **furs** than he could use and his neighbour might have caught more fish than he could eat himself. They soon saw that they needed each other. The fisherman needed **furs** to **protect** himself from the cold and the hunter needed something to eat, so they **exchanged** their **goods**. This is called **barter**.

Barter also had **disadvantages**. If there weren't any more people who needed the hunter's **furs** he couldn't **trade** them for the things he needed.

Early Forms of Money

As time went on, people used things that were **valuable** as a kind of money. **Cattle** was one of the earliest forms of money. People who had many cows were **thought to be** very rich. Later on, **grain** and salt were **common** forms of money. They had **advantages** because you could **weigh** them.

The Aztecs used cacao beans as money. They were **valuable** and easy to carry. The early American colonists used **gunpowder**, tobacco and **nails** as money. These things were very **rare**.

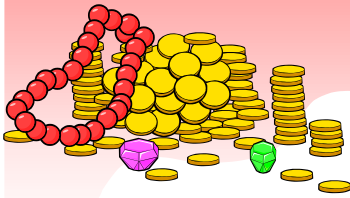
Coins

In the **course of time** people searched for better ways of **trading** goods. They found out that metal, **especially** gold and silver, was very **valuable**.

Some historians believe that the first **coins** were made at around 700 B.C. by the **Lydians**. The Greeks and Romans also had silver and gold **coins**. Their **value** was **guaranteed** by the **government**.

But it was not until the late Middle Ages that **coins** became **common** throughout Europe. Metals were **stamped** and coins had to have a certain **weight**. People knew how many coins they needed to buy something because they had a **fixed value**.





Money

WORDS

advantage = good side about something

amount = quantity, sum

bill = a piece of paper money

came into use = to start to use

central bank = a national bank that controls the money in a country

century = a hundred years

circulation = the money that all the people in a country have

constant = always the same

customer = a person who goes to a shop and buys things

deposit = a safe place where you put money or a lot of gold

exchange = to give something for something else

goldsmith = someone who makes or sells things made of gold

goods = products

government = the people who rule a country

lend = to let someone borrow money from you

lose = drop, go down

real = true

realise = to find out

sign = to write your name on a document or an important piece of paper

slip = piece

touch = to feel with your hand

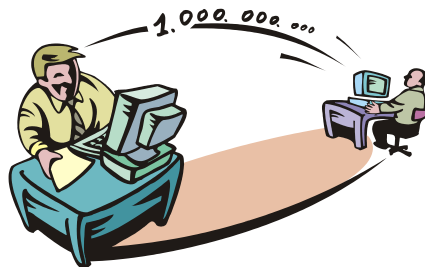
value = what something is worth

Paper money

Paper money **came into use** about 300 years ago. The idea came from **goldsmiths** who gave people pieces of paper in **exchange** for their gold. These **bills** could be **exchanged** for their gold later on. They told you that **real** gold and silver existed somewhere.

Until the middle of the 20th **century governments** all over the world had **deposits** of gold that was worth as much as the money they gave to their people. Paper money had many **advantages**. It was cheaper to make and easier to carry around.

But there were also dangers. **Governments** could produce as much paper money as they wanted. If they produced too many banknotes and gave them to the people, they would have too much money to spend. If there were not enough **goods** to buy, prices would go up. The money then would **lose** its **value**. We call this inflation.

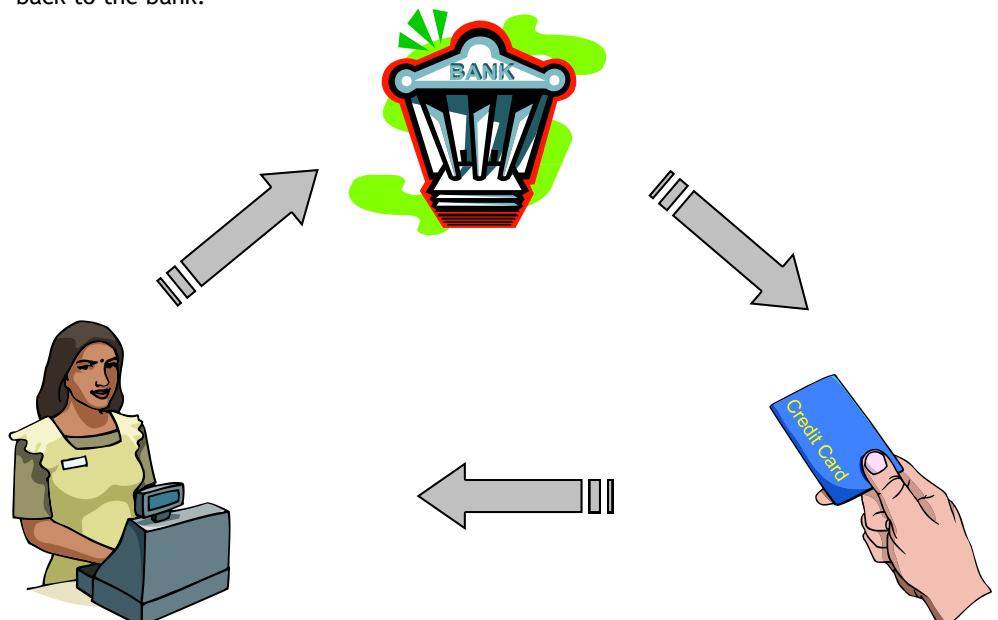


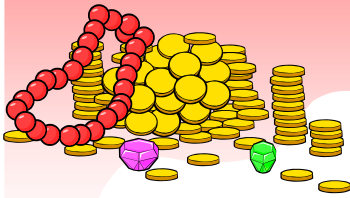
Today, the **amount** of money in **circulation** is controlled by **central banks**. They make sure that paper money has a **constant value**.

In the second half of the 20th century people **realized** that they didn't have to carry money around to buy the things they needed. Information about money was sent from bank to bank, so you could have your money transferred from one place to another without **touching** it.

Credit cards

Today, more and more people use credit cards to buy things. You don't have to take **real** money with you. With a credit card the bank **lends** its **customer** money to buy something. The **customer signs** a small **slip** of paper and the shop assistant sends it to the bank and gets his money at once. A few weeks later the **customer** pays the money back to the bank.





Money

The Euro

WORDS

afterward = after

agree = to say yes to something

arch = a building with a curved top and straight sides

argue = here: to say

coin = a round piece of metal that is used as money

constantly = always

create = to make ; here: to introduce

currency = the money that a country uses

decide = to choose

to design = to make a drawing or plan of something

the design = motifs, pictures etc..

economic = financial

increase = to go up

in favour = to be for something

join = to become a member of

predict = to say that something will happen

official = something that is allowed in a country

range = to go from ... to ...

rise = to go up

single currency = the money that many countries have

stock exchange = place where stocks or parts of a company are bought and sold

trade = buying goods from and selling goods to other countries

unify = to bring together

value = what something is worth

In 1991 the leaders of the European Union got together in Maastricht, the Netherlands and **agreed on creating a single currency** for all of Europe.

On January 1, 2002, the Euro became the **official** money in twelve of the fifteen EU nations. Only Great Britain, Sweden and Denmark wanted to stay with their old **currency**.

In 2004, ten central and eastern European nations **joined** the EU. They will **decide** later on if they want to **join** the Euro zone.

When banks and **stock exchanges** began using the Euro in 1999 it was worth 1.17 US dollars. Shortly **afterwards** it became weaker and fell to 0.80 US dollars, but since 2002 its **value** has **risen constantly**, almost up to 1.30 US dollars.

The colourful euro banknotes were **designed** by the Austrian Robert Kalina. They **range** from € 5 to € 500 and have a map, the EU flag, as well as **arches**, bridges and windows on them.

There are eight **coins—ranging** from 1 cent to 2 Euros. One side of the coins all look the same but on the other side each country has its own national **design**.

People **in favour** of introducing the Euro **argue** that the European **currency** will **increase trade** among European countries. It could also **unify** the union and make it stronger.

Many **economic** experts also **predict** that the Euro can compete with the US dollar as an important international **currency**.

