

Chapter – 11 | From Barter to Money

QUIZ-01

1. Why is barter called the earliest form of exchange?
- It uses coins
 - It uses digital payment
 - It existed before money
 - It was government controlled (C)

Explanation: Barter existed before money.

2. Which situation best explains double coincidence of wants?
- One person sells goods
 - Both people want money
 - Each person wants what the other has
 - Goods are stored for later (C)

Explanation: Mutual matching of needs is required.

3. Why is barter unsuitable for long-distance trade?
- Goods are too cheap
 - Goods are difficult to compare and carry
 - Too many buyers
 - No sellers available (B)

Explanation: Transport and value comparison are difficult.

4. The absence of a common standard of value makes barter difficult because:
- Goods cannot be stored
 - Prices cannot be fixed
 - Goods spoil quickly
 - Goods are heavy (B)

Explanation: Values of goods cannot be compared.

5. Which limitation of barter is shown when an ox cannot be exchanged in parts?
- Durability
 - Portability
 - Divisibility
 - Storage (C)

Explanation: An ox cannot be divided.

6. Which feature of money solves the problem of wheat rotting?
- Medium of exchange
 - Store of value
 - Portability
 - Coinage (B)

Explanation: Money can be saved safely.

7. Allowing payment to be made later shows which function of money?
- Medium of exchange
 - Measure of value
 - Standard of deferred payment
 - Store of value (C)

Explanation: Payment can be delayed.

8. Why did metal coins replace barter?
- Coins are decorative
 - Coins solved barter limitations
 - Coins were free
 - Coins were lighter than wheat (B)

Explanation: Coins made exchange easier.

9. Ancient Indian coins were accepted across regions mainly because:
- They were colorful
 - They were issued by powerful rulers
 - They were made of paper
 - They had QR codes (B)

Explanation: Powerful rulers' coins gained wide trust.

10. Which statement about currency in India today is correct?
- Anyone can print notes
 - States issue their own currency
 - RBI alone issues currency
 - Currency has no legal control (C)

Explanation: RBI is the sole authority.