

CHAPTER-11 | From Barter to Money

QUIZ PART-03

1. Why did money come into existence?

- A. To reduce farming work
- B. To replace rulers
- C. To make trade easier as exchange increased
- D. To stop production of goods (C)

Explanation: As trade expanded and exchanges became complex, a common medium of exchange was needed.

2. What basic function of money allows people to buy and sell goods easily?

- A. Store of value
- B. Medium of exchange
- C. Measure of weight
- D. Type of tax (B)

Explanation: Money works as a medium of exchange, making transactions easier.

3. How does money solve the farmer's problem of storing wheat?

- A. Money can be eaten later
- B. Money lasts longer and can be used later
- C. Money grows into crops
- D. Money removes the need for farming (B)

Explanation: Money acts as a store of value and does not rot like wheat.

4. Money helps compare the value of goods because it acts as a:

- A. Tool of transport
- B. Standard measure of value
- C. Storage container
- D. Government rule (B)

Explanation: Money provides a common unit to compare prices of goods and services.

5. Workers use the money they receive as salaries to:

- A. Destroy goods
- B. Only save forever
- C. Buy daily needs and pay school fees
- D. Return to the government immediately (C)

Explanation: Money circulates in the economy when people spend it on goods and services.

6. What does it mean that money is a "standard of deferred payment"?

- A. Money cannot be saved
- B. Money can be used to make payments later
- C. Money cannot be borrowed
- D. Money has no value (B)

Explanation: Money allows payments to be made in the future.

7. Who controlled the minting and issue of coins in early times?

- A. Traders
- B. Farmers
- C. Rulers
- D. Teachers (C)

Explanation: Early coins were issued by rulers of kingdoms.

8. What happened to coins of powerful rulers over time?

- A. They were destroyed
- B. They were only used locally
- C. They were accepted across different kingdoms
- D. They lost value completely (C)

Explanation: Coins issued by powerful rulers became widely accepted across regions.

9. Early coins were commonly made from which materials?

- A. Plastic and rubber
- B. Paper and cloth
- C. Gold, silver, and copper
- D. Stone and sand (C)

Explanation: Early coinage used precious metals and their alloys.

10. What were the symbols punched on early coins called?

- A. Marks
- B. Rūpas
- C. Seals
- D. Stamps (B)

Explanation: Early coins called kārṣhāpaṇas or paṇas had punched symbols called rūpas.