



Pakistan School
Kingdom of Bahrain

**A WARM WELCOME TO ALL THE
STUDENTS TO OUR VIRTUAL
CLASS.**

WELCOME



When You
Enter this Room
Learning is Fun and
Cooperation is Expected
Our positive Attitude and
Mutual Respect are part of
Everything we do and say

WE ARE GOING TO START OUR FIRST ONLINE ECONOMICS CLASS TODAY. I HOPE WE ALL WILL ENJOY AND LEARN.

❖ RULES FOR CLASS:

- 1) BE ON TIME FOR ALL YOUR CLASSES.
- 2) RESPECT ALL THE PARTICIPANTS OF THE CLASS.
- 3) DO NOT CREATE ANY DISTURBANCE.
- 4) PAY ATTENTION TO YOUR TEACHER.
- 5) RAISE HAND IF YOU HAVE A QUESTION.
- 6) ENTER THE CLASS WITH YOUR ACTUAL NAME TO MARK YOUR ATTENDANCE.
- 7) ASK ONLY RELEVANT QUESTIONS TO TOPIC TAUGHT.

CHAPTER 9

MONEY


Brainstorming...

Why money is better than the Barter System?





Lesson Objectives:

- By the end of this part of lesson, students will be able to:
 1. Define Money.
 2. Determine the Functions of Money
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Money

Definition of Money

- “Anything which is widely accepted in payments for goods or in discharge of other kinds of business obligations.”

Or

- Anything that is generally acceptable as a means of exchange and that at the same time acts as a measure and a store of value.



Money

- Definition - any substance that serves as a
 - medium of exchange,
 - measure of value,
 - store of value



3 FUNCTIONS OF MONEY

1. A Medium of Exchange

- Money can easily be used to buy goods and services with no complications of barter system.

2. A Unit of Account

- Money measures the value of all goods and services. Money acts as measurement of value.
- 1 goat = \$50 = 5 chickens OR 1 chicken = \$10

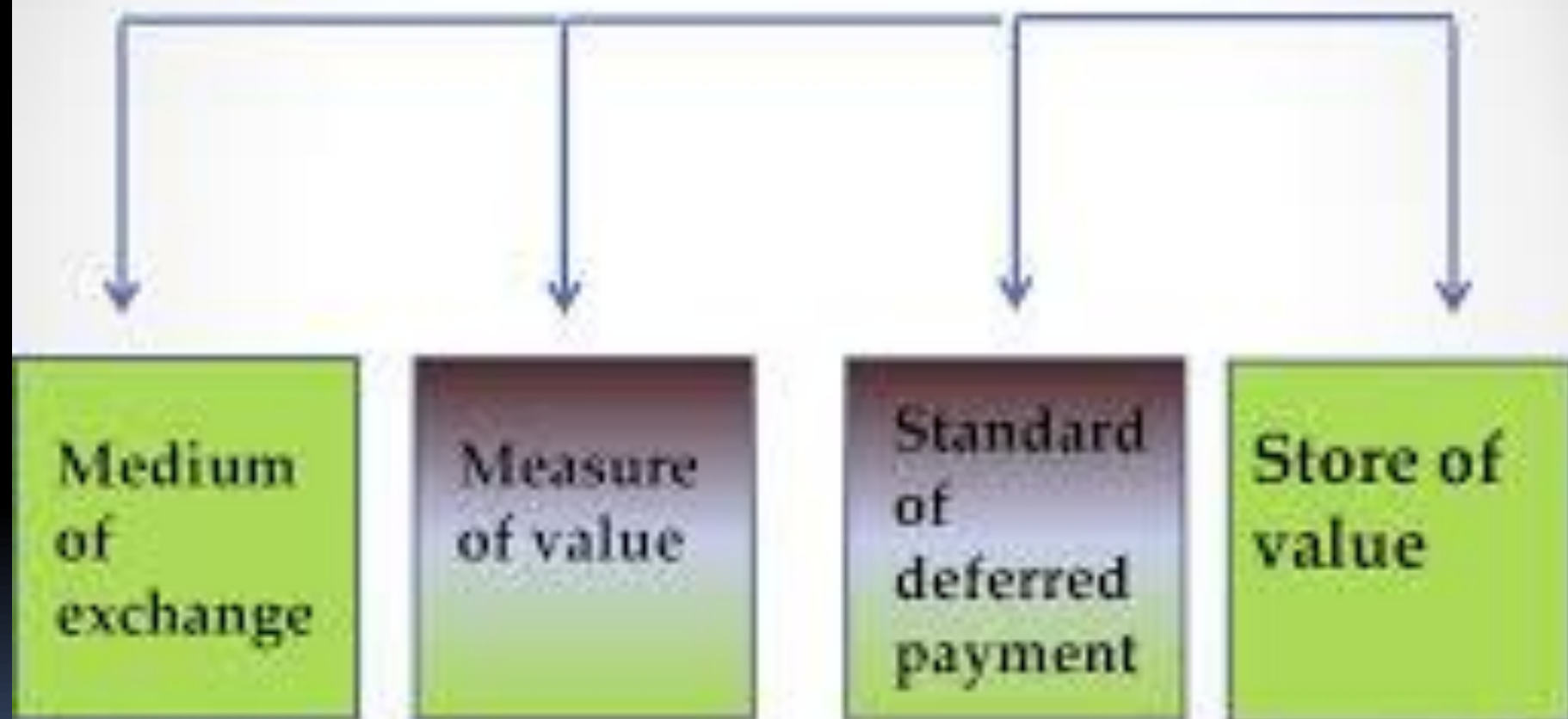
3. A Store of Value

- Money allows you to store purchasing power for the future.
- Money doesn't die or spoil.

Functions of Money

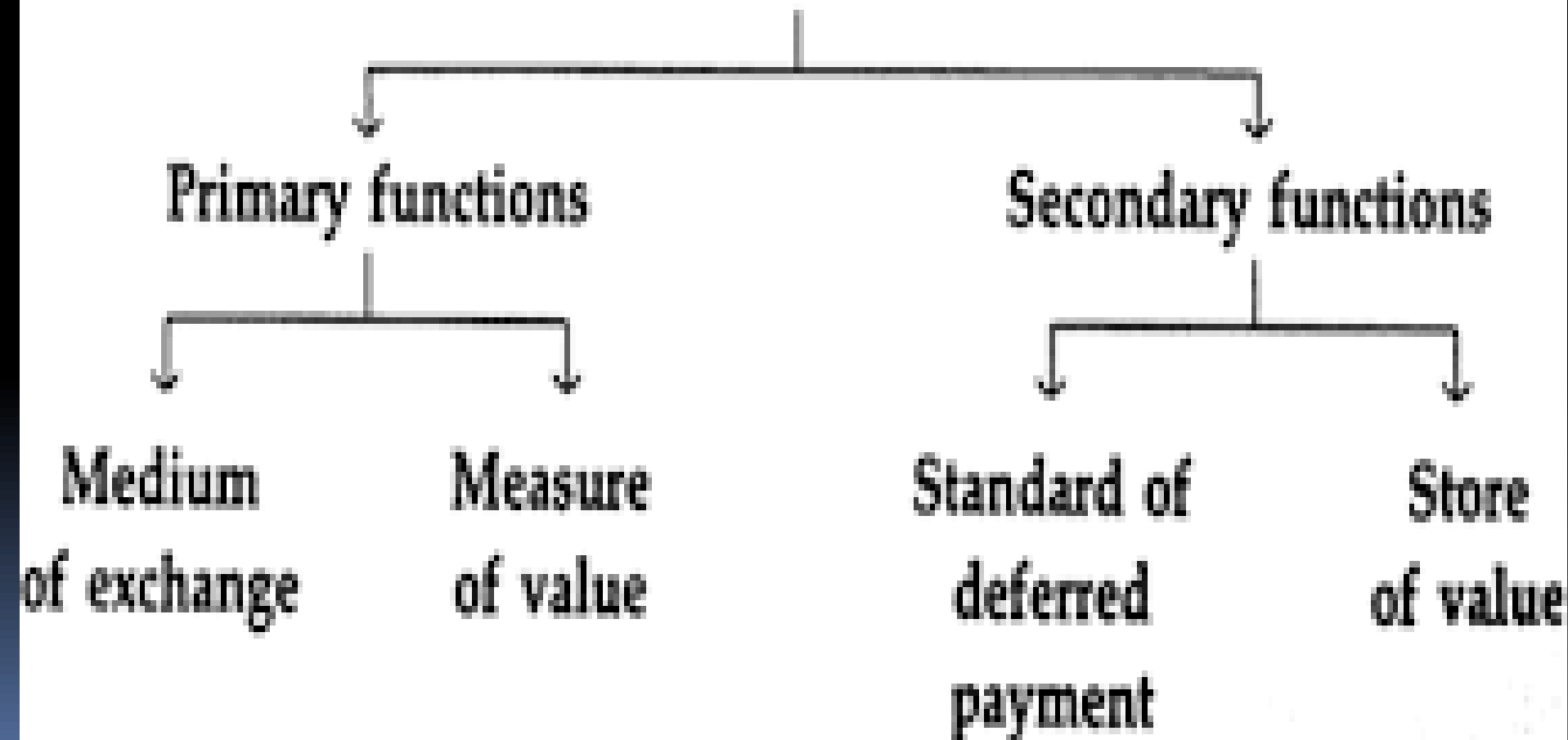


FUNCTIONS



*"Money is a matter of functions four
A medium, a measure, a standard, a store."*

Functions of Money



Medium of Exchange

Money act as a medium of exchange. As a medium of exchange, it removes the difficulties of barter system. It facilitate the exchange of goods and services among people.

Medium of Exchange


A medium of exchange is anything that is readily acceptable as payment.

Medium of Exchange






Standard of value

- **Money** acts as a **standard of value** by making it easy for people to compare the **value** of different goods and services according to a uniform reference point. ... The US dollar used to be tied to the gold **standard**, where each dollar in circulation was backed by an equivalent **value** in gold held in reserve by the government.
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Store of Value

- Money serves function of store of value without any difficulty. We can store money as a savings and use it as per needs
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Standard of deferred payment



Standard of Deferred payments

Money is a Standard of Deferred Payment

- An agreed unit of measure that enables people to contract for future payments and receipts



As Transfer of Value



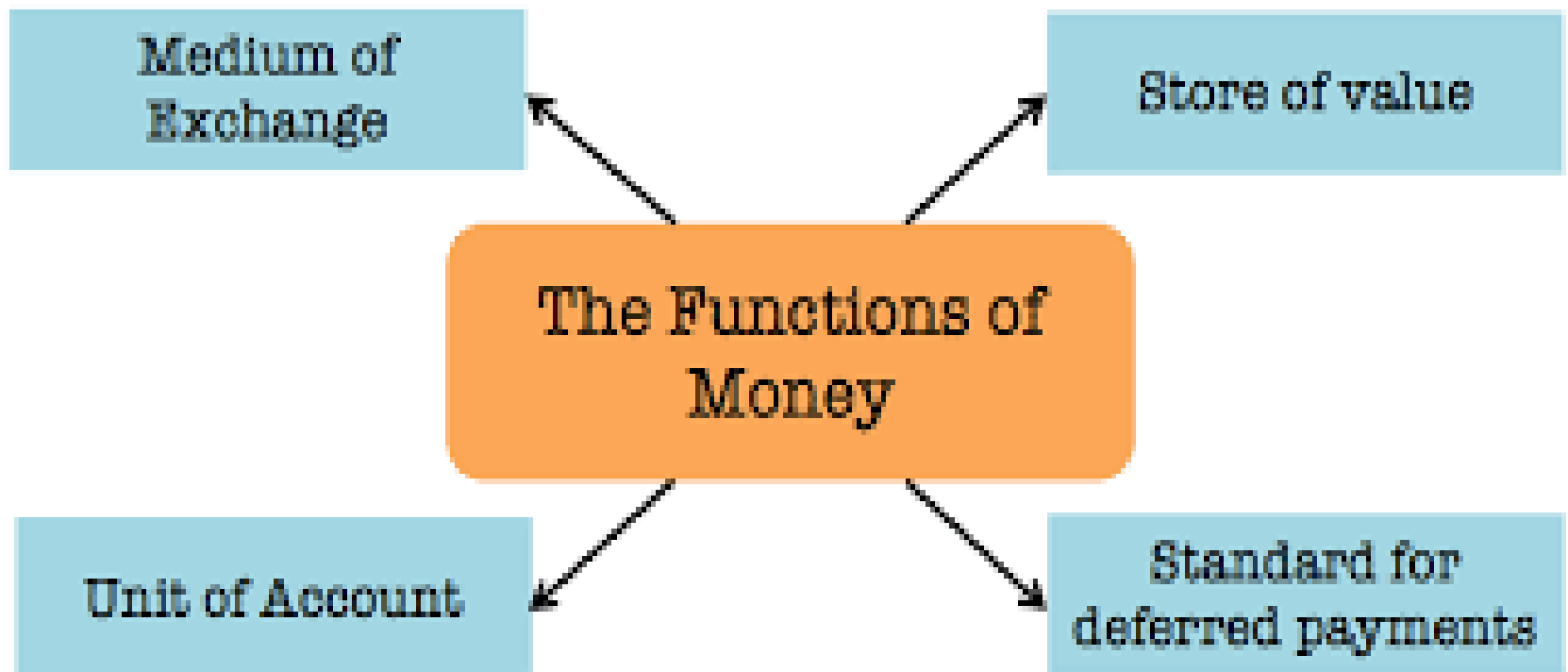
Transfer of value


Money as a Transfer of Value

- It transfers the value of durable and immovable goods from one place to another
- It provides mobility to machinery, land and goods, which accelerates trade and industry
- It has the merit of liquidity
- Money is the most liquid of all asset

Closure

- Key points:
- Function of Money





Thank you. See
you in the next
lesson.