



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...


- Look At this pic and Write the Answers of the following Questions



Which Thing we will receive in the reward of these services?



Lesson Objectives:

- By the end of this part of lesson, students will be able to:
 1. Define Barter System.
 2. Differentiate Between Barter System and Money.
 3. Determine the difficulties of barter system.
- 

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.

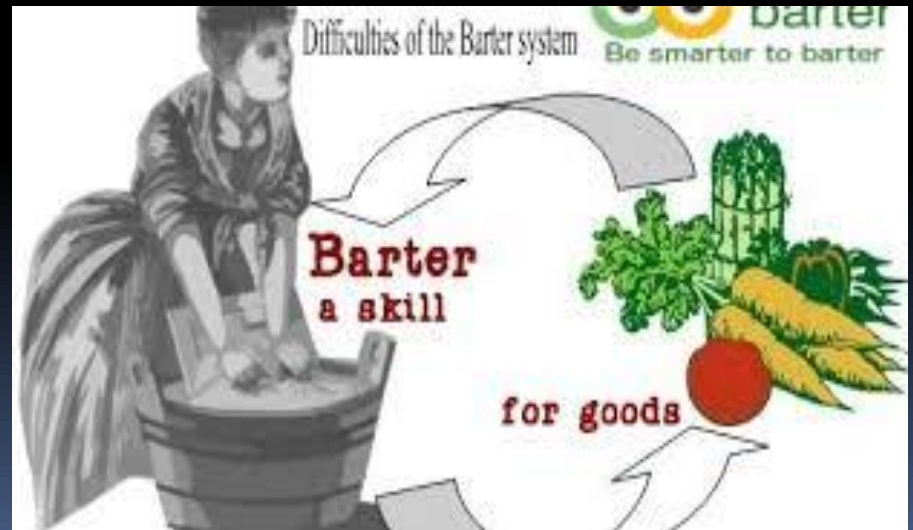


Barter System

What is
Happening in this
Picture?



Do you Exchange
your goods with
services?



Barter System

- 'Direct exchange of goods against goods without use of money is called barter system.'
- In the early stages of economic life, the people were unknown to money because the human wants were limited. Free goods were found in abundance and every man used to produce goods necessary for himself. After a long time, man began to produce surplus good and started exchange of goods for goods; which we call Barter system.

Barter System Example

Contd.

- ▶ People have bartered for goods and services since the dawn of civilization, when currencies are unstable or when there is no common currency.
- ▶ Example: A photographer agreeing to photograph a dentist's wedding pictures in return for some dental work of equal value.



Value in exchange.



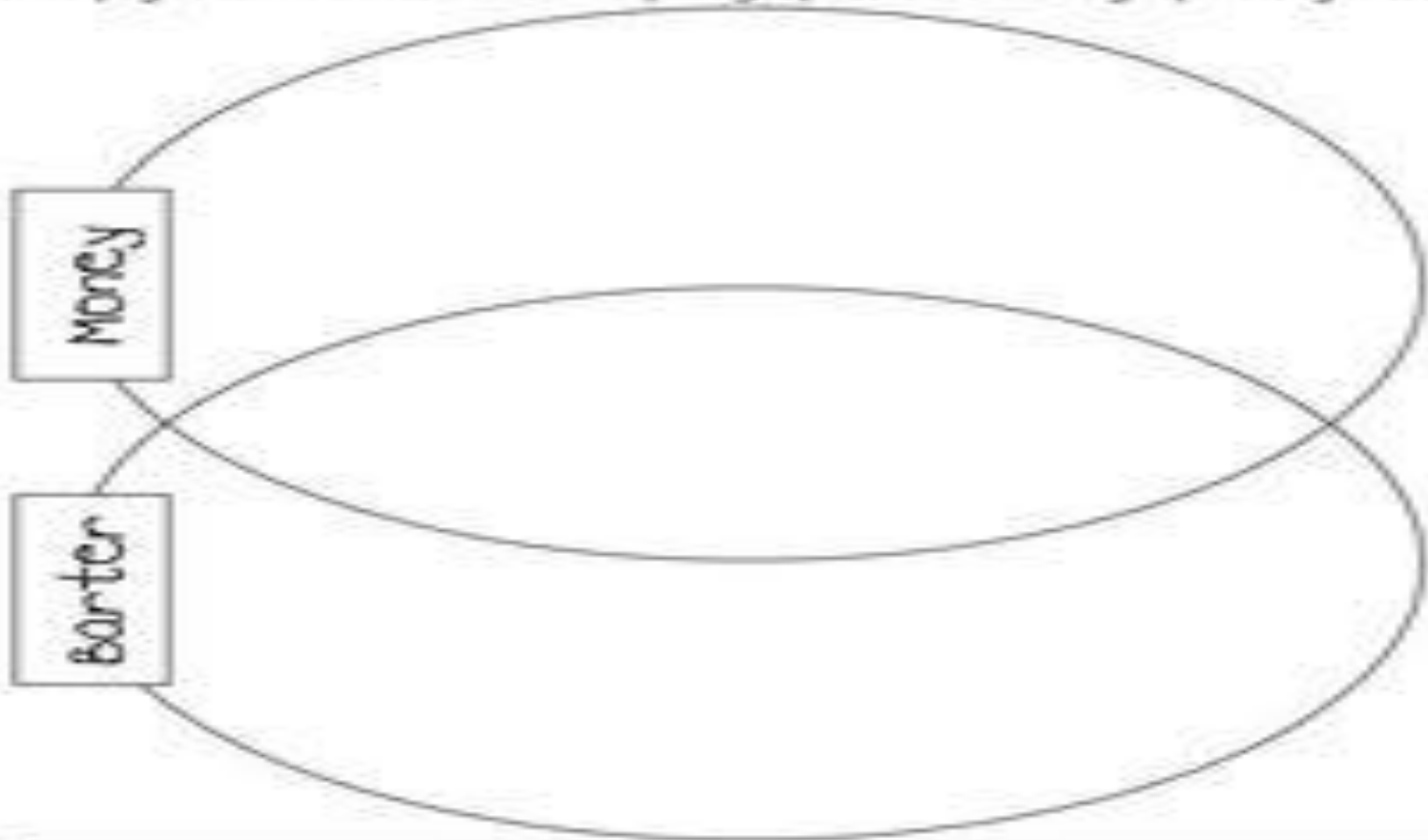
10 kg Rice



5 kg sugar

Most people use money to pay for the goods and services. Many people who don't have money with them will barter. What would you rather use money or barter to get what you want?


Most people use money to pay for goods and services. Many people who don't have money with them will barter. This allows them to get what they want without using money. When you barter, you are trading one thing for another. Go to page 267 and read the two paragraphs. Fill in the graphic organizer.




What would you rather do... use money or barter to get what you want?



Home Work


- Write Any 3 advantages or Disadvantages of Barter System
- OR
- Write any Three Uses of Money
- 



Thank you. See
you in the next
lesson.



Difficulties of Barter System


- Lack of double coincidence of wants.
 - Lack of common measure of value.
 - Lack of divisibility of certain goods.
 - Lack of store of value.
 - Lack of standard of deferred payment of value.
- 

Lack of Double Coincidence of Wants

- **Lack of double coincidence of wants:**
- The double coincidence of wants mean that both the parties have to agree to sell and buy each other's commodity i.e. what a person desires to sell is exactly what the other person wishes to buy. E.g. a man wanted to exchange his cloth with rice .it was very difficult for him to find a person who wanted to exchange his rice against cloth.IN case he found the rice seller but he required a goat for his rice. Then cloth seller had to find a goat seller.



Lack of Common Measures

- **Lack of common measure of value:** when the two parties were eager to exchange their goods, the difficulty of measuring the value of their goods would have arisen because there as nothing to measure the value of goods to be exchanged with each other thus each exchange proved to be isolation transaction and one the two parties bound to suffer a loss. Many a transactions would have been failed due to lack of common measure of value under barter system.
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lack of divisibility of certain goods

- The indivisible commodities were very difficult to be exchanged under barter system. Commodities like, rice, wheat, sugar and pulses are divisible but cow, goat house, shop, furniture and carts etc are indivisible. A man having a few yards of cloth wanted meat in exchange .it was difficult for cow seller to cut a piece of flesh from an alive cow; even he himself wanted the cloth.



10 kg Rice




5 kg sugar




Lack of store of value:

- Goods were the wealth or value only, under barter system. Many a goods are perishable and cannot be stored for a long period. Moreover goods in large quantity required a good deal of human labour to look after them if stored. At present the value of wealth in form of money can easily be stored for a long time without any difficulty, but under barter system the storing of value, was a serious problem.





Lack of standard of deferred payment of value:

- There is problem of borrowing and lending. It is difficult to engage in contracts which involve future payments due to lack of any satisfactory unit. As a result, future payments are to be stated in term of specific goods or services. But there could be disagreement about the quality of the good, specific type of the good and change in the value of the good.
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Closure

- Key points:
 - Scaricty.
 - Kinds of value.
 - Value in use.
 - Value inexchange.
 - Factors to create value.
 - Utility.
 - Scarcity.
 - Transferability.
- 




Thank you. See
you in the next
lesson.

Home work.

Choose any three questions and write in your notebook:

- What do you meant by scarcity in economics?
- You have only 60 Bd in your pocket you have to pay rent of your house and you want buy a mobile which one you prefer first and why?
- Define value and write the names of its kinds.
- Write the names of factors that create value in commodity



Thank you. See
you in the next
lesson.