



Name: _____

Economics Textbook Chapter 9

1. Give an example of money being used as a measure of value.

2. How was paper money started?

3. Does the USA have representative money or fiat money?

4. Why is it dangerous for the government to keep printing money in a fiat currency economy?

5. When measuring the money supply of an economy, what is the difference between M-1 funds and M-2 funds?

6. What is the benefit of federal and state regulation of banks, rather than allowing private banks to proliferate?

7. If money is only worth what it will buy, imagine what would happen if there were so much money around that a merchant could charge whatever he wanted for a dozen eggs, and you'd be able and willing to pay it. What would happen to the worth of a single dollar then?

