

Reading passage 1 Money Through the Ages



A From the earliest of times, money has been central to our communities and our organized way of life. Over the centuries, various monetary systems have directed our lives. Today, it has wide social, psychological and political influence. It has developed since the beginnings of our history.

B From the beginning of humankind, the system of barter, or exchange, has been used to buy goods. Personal items of value such as crops or animals were exchanged for goods or services wanted. This kind of exchange still exists today.

C There is a problem with using perishable commodities such as salt, tea, tobacco, cattle, pigs or seed as money, because the storage and transportation of these items become a problem. Consequently, over time, the bartering system evolved, so that people could sell their pigs at the best possible time and receive coins which could later be used to buy grain when the wheat was harvest.

D However, coins to pay for these items developed at different times in different parts of the world. Coins appeared as a natural progression from the used of shell and beads for money. In China around 1200 BCE cowry shells were used. Other people, for example, the North American Indians, beaded together clam shells as their means of money. As time went by, the Chinese began making mock cowry shells out of metal. This metal currency is considered the origin of metal coins as they are known in the modern world. These original coins were made with holes in the middle so they could be chained together.

E Later, around 700 BCE, the Lydians, who lived in the area known as Turkey, were the first people to make silver coins. From around 550 BCE they produced pure silver and gold coins with their gods and emperors imprinted on the surface. From the fourth centuries BCE the Egyptians used gold bars as a means of exchange. Coins were now in wider use. The Greeks and Romans used the more scarce metals of bronze, gold and silver to make their coins, which meant the coin itself became quite valuable, whereas the earlier Chinese coins had been made of more common base metals.

F In China, around 118 BCE, as the metals available for coin making diminished, leather money developed. This early form of paper money was made of white deer-skin edged in bright colors. This was given in exchange for goods. Paper money more resembling that which we use today became commonly issued in China from around 960 CE onwards, but it developed much later in the Western world.

G The system of representative money, where a piece of paper was representation of goods or money accumulated, developed from the commodity money system. Banks stored precious goods, which were usually in the form of silver or gold bars, and offered a paper receipt for their value. These paper receipts were soon being traded as a form of money. The expression ‘as good as gold’ developed from this practice as it was generally accepted that although the receipt itself was of very little value it had a significant value since it was backed by the promise to pay the amount stated on the receipt. As a consequence of this practice, in 1694 the Bank of England issued the first permanently circulating banknotes, but it was not until the eighteenth century that the use of printed notes of a fixed value came into use.

H Another system of money which evolved over time was that of fiat money. This is not based on the representation of any commodity or precious metal stored in a bank. Instead, it is money which is given value by a government. Fiat money has become the standard form of national currency in the world today. This trend began in 1971 when the United States declared its dollar would no longer be backed by any commodity.

I Throughout history, coins have been by far the most important form of money. In an auction at Sotheby’s in London in July 1995, 200 ancient coins sold for over two million pounds. One coin, minted in 460 BCE was sold for one hundred and thirty two thousand pounds. For someone to pay that much for a coin, they must be made of money. Just think, an old coin stashed away in a drawer somewhere or dug up in the garden could make a mint in an auction. If you are hard up, finding an old coin may be just what you need to help make ends meet. In fact, if you were lucky enough to find a very rare coin, you too could end up with money to burn!

Questions 1-6 Scanning for Specific Information

Scan read the passage quickly for find the following key words.

Which people are mentioned in the passage?

Write the letter of the paragraph(s) beside each one.

1. North American Indians _____
2. Chinese _____
3. Lydians _____
4. Egyptians _____
5. Greeks _____
6. Romans _____

Questions 7-13 Matching

Look at the following list of statements.

Match each statement with the correct people A-E.

7. _____ used clam shells as money
8. _____ made substitute cowry shells
9. _____ made coins out of bronze
10. _____ made the first silver coins
11. _____ used gold bars as payment
12. _____ made coins from less expensive metals
13. _____ made the earliest paper money from animal skins

List of People

- A. North American Indians**
- B. Lydians**
- C. Egyptians**
- D. Greeks and Romans**
- E. Chinese**

Questions 14-21 Table Completion

Complete the table below.

Use **NO MORE THEN THREE WORDS, A DATE OR A NUMBER** from the reading passage for each answer.

Event	Date
Shells were used as money	14. _____
First 15. _____ coins	700 BCE
Coins with markings on them were produced	16. _____
Base metal reserves for producing coins reduced	17. _____
18. _____ in China	960 CE
19. _____ were used in England	1694
The US dollar is no longer supported by a gold reserve	20. _____
Coin made in 21. _____ was sold for £132,000	1995

Answer Keys:

- 1. D**
- 2. DEF**
- 3. E**
- 4. E**
- 5. E**
- 6. E**
- 7. A**
- 8. E**
- 9. D**
- 10. B**
- 11. C**
- 12. E**
- 13. E**
- 14. 1200 BCE**
- 15. silver**
- 16. 550 BCE**
- 17. 118 BCE**
- 18. paper money**
- 19. (permanently circulating) banknotes**
- 20. 1971**
- 21. 460 BCE**