

**SOL 13F**

## SOL CE.13F

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- ✖ The student will demonstrate knowledge of the role of government in the United States economy by recognizing that government creates currency and coins and that there are additional forms of money.

# GUIDING QUESTIONS

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- ✖ Why does the government issue currency and coins?
- ✖ Which government agencies are responsible for creating money?



# \$\$\$\$ MONEY \$\$\$\$

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- ✖ Money – anything accepted as a method of payment
- ✖ Throughout history there have been many different objects that have been used as money:
  - + Furs
  - + Grains
  - + Salt
  - + Shells

✕ Three types of money are  
used in the US:

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+ Coins

+ Federal Reserve notes (bills)

+ Bank deposits (checks, debit  
cards)

# WHAT ARE BANK DEPOSITS?

- ✖ Bank deposits allow people to pay for purchases without using coins or paper money.
- ✖ People have access to their deposits in their bank accounts by writing a check or using a debit card.
- ✖ Debit cards allow people to access their bank deposits electronically.



# VALUE OF MONEY

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- ✗ By themselves, coins and dollar bills have very little value as pieces of metal or paper.
- ✗ The value of coins and bills come from the confidence people have in the U.S. government.
- ✗ This means that because the U.S. government is behind the money, it gives people confidence that the money will keep having value in exchanges for goods and services.
- ✗ Confidence makes people accept the coins and Federal Reserve Notes (bills) as payment.

# THREE FUNCTIONS OF MONEY

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- ✖ A medium of exchange
- ✖ A standard of value
- ✖ A store of value



# A MEDIUM OF EXCHANGE

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- ✖ Sellers accept money in exchange for goods and services.
- ✖ This occurs when you go to the store and buy something.

# A STANDARD OF VALUE

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- ✖ A nation's money provides a standard way to express the value of something.
- ✖ In the U.S. the prices of all goods and services are shown in dollars and cents.
- ✖ This standard allows you to compare the value of one good or service to another. Ex: This T.V. costs \$500 but this one only costs \$450

# A STORE OF VALUE

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- ✖ Money makes it possible to save and make purchases in the future.
- ✖ You can save your money at home or in a bank and whenever you decide to buy something, that money will still have value when you decide to spend it.



# GROUP QUESTIONS

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- ✗ With your neighbor, answer these questions.
- ✗ They do not have to be in complete sentences.
- ✗ You do not have to write the questions.

- ✘ Why is a bank deposit a type of money?

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- ✘ What is the agency that deals with Food and Drugs when it comes to consumer safety?
- ✘ What is private property?
- ✘ What is the Federal Reserve?
- ✘ Name two of the four responsibilities of the Federal Reserve.
- ✘ What is the 16<sup>th</sup> Amendment?

- ✖ It is a form of money that allows people to access their bank account electronically or by writing a check. You can still pay for purchases with bank deposits.
- ✖ FDA – Food and Drug Administration
- ✖ Land owned by individuals and not the government
- ✖ Our nation's central bank
- ✖ Maintain the value of currency, regulate banks, manage amount of money in the economy, act as the federal government's bank.
- ✖ It gives Congress the power to tax personal and business incomes.



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- ✖ Work quietly on your add on/book notes, notecards, or make up work.
  - ✖ If you are finished, and sure you will get a 100% on your notebook check on THURSDAY, you may ASK ME to play sol pass games on the laptops.