

HERZLIA MIDDLE SCHOOL



Grade 7 History of Money Assessment

DATE SET : 22 January 2016

DUE DATE : 15 February 2016

TOTAL : 35 marks

This assessment is made up of two tasks:

1. History of Money poster:

Prepare a poster depicting the development of money from BARTER to what we use today.

2. Exchange rates:

2.1 Prepare a graph that shows the monthly change in the Rand/US\$ exchange rate.

2.2 Use the graph to determine when the best time was to purchase an iPad Air for US\$499.

The screenshot shows the Apple Store website interface. At the top, there are navigation links for 'Shop Mac', 'Shop iPad', 'Shop iPhone', and 'Shop iPod'. Below this, there are two main promotional banners. The left banner is for the 'iPad Air', featuring a large image of the tablet and text stating it is available online and in Apple Retail Stores starting on November 1, with a price starting at \$499. The right banner is for the 'iPad mini with Retina display', stating it is coming later in November with a price starting at \$399. Both banners include links to view pricing and configurations and to visit the respective product sites.

You can use the following website to find the exchange rate on a specific date:

http://currencies.apps.gran_dtrunk.net/

1. History of Money poster: (20 Marks)

Instructions:

- Your poster needs to be a minimum of A3.
- You need to choose any five main stages in the development of money from barter to what we use today.
- You need to present these five stages as a timeline on your poster, including at least one image per stage as well as a brief description of each stage.

Poster rubric					
	1	2	3	4	5
Timeline	One mark per relevant stage of the development of money, in proper order.				
Description	Very poor descriptions, lack of research, incorrect facts.	Poor descriptions, all information correct, but not enough information.	Good descriptions of the various stages, lacking in some stages.	Thorough description of all five stages	Excellent, thorough description of all five stages.
Images	One mark per relevant image				
Presentation	POOR	POOR	AVERAGE	GOOD	VERY GOOD

2. Rand/UD\$ Exchange rate graph: (15 Marks)

Instructions:

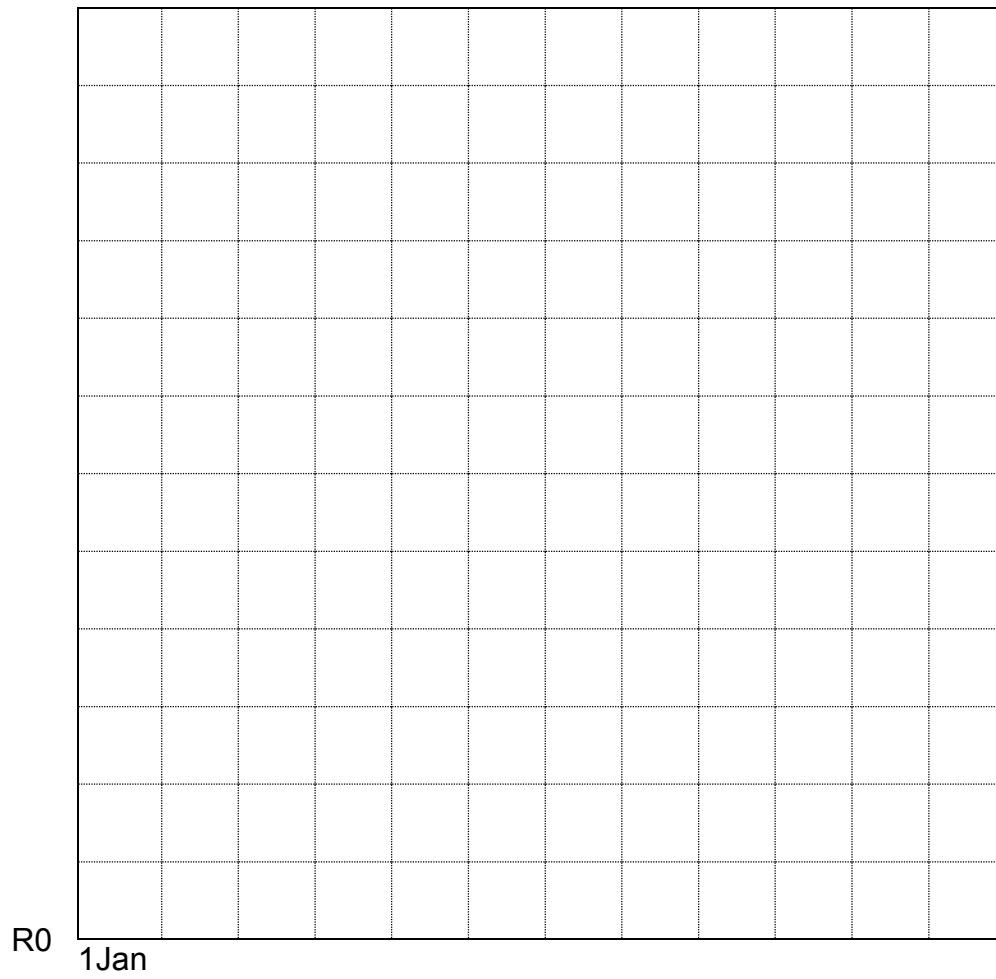
- Use the website provided to record the South African Rand (ZAR)/US\$ exchange rates on the 1st of each month of last year (2015).
- Present this information on a line graph using vertical axis to show the value of US\$ 1 in Rand and the horizontal axis to show the date.
- Your graph needs to be neat and labelled properly.
- You need to answer question 2.2 beneath the graph.
- Use glue to attach your graph to the back of your poster.

Graph rubric		
Presentation	5 marks	Proper headings and labels
Accuracy of drawn graph	6 marks	Information shown on graph
Questions	4 marks	Calculations

Name : _____

Class : _____

Question Two – ZAR/US\$ exchange rate graph:



2.2	Price of an Ipad Air:	
	Exchange Rate:	
	Price in Rand:	

COWRIES, CASH, & CREDIT

How Humans Have Paid for Things Throughout History

From barter to bytes, financial exchanges have evolved with civilization. Just a few centuries ago, mankind paid and bartered goods with slabs of meat and baskets of berries. In the digital age, we now have the convenience of virtual payments and a plethora of mobile payment options that allow us the freedom to pay for goods almost anywhere. Here's how we got to this point.

A REALLY LONG TIME AGO

Early man exchanges resources and services for the benefit of each party.



Bartering

9000-6000 BC

Livestock



Animals are considered the oldest form of currency, with livestock such as camels, sheep, and cows being the most commonly used.

3000 BC

The Shekel

Grain is used as currency in Mesopotamia, using a shekel as a measurement of weight. The shekel later evolves into an equivalent to silver, bronze, and copper.



1200 BC

Shell Money



Shell money is first used in China. Societies off the coast of the Pacific and Indian Oceans embrace cowrie shells as a popular currency.

1000-600 BC

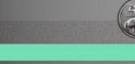
Crude Metal Coins

Coins made from base metals first appear in China. However, the metals are non-precious, making them difficult to use for more expensive purchases.



700 BC

Precious Metal Coins



Gold and silver coins are first used in ancient Lydia (modern-day Turkey) and coastal Greek cities. The profits of gods and emperors are stamped into the metal.

118 BC

Leather Money

1-foot-square pieces of white deerskin are used. This form of leather currency could be considered the first documented type of banknote.



806

Paper Money



Paper banknotes first appear in China, though the first widely accepted paper money doesn't appear in China until around 960. This is followed by centuries of figuring out the balance of production and inflation, until paper money in China disappears in 1455 for several hundred years.

1535

The Wampum

Use of wampum—a string of beads made from white clam shells—is first documented, though it's very likely that Native Americans had been using the monetary medium for long before. In 1637, the wampum is declared legal tender in the United States.



1816

Gold



Though it is certainly not the first time the element is part of a payment system, gold is officially the standard of value in England. After centuries of barter and use, Europe is able to move forward with a non-inflationary production of banknotes on the gold standard. However, the Gold Standard Act is not enacted in the U.S. until 1900.

1913

Gold-Backed U.S. Dollar

The Federal Reserve System is created in the U.S., establishing a central bank as well as gold-backed federal reserve notes.



1920s

Charge Cards



Department stores, hotel chains, and service stations start providing charge cards to customers with cars so they don't have to travel to their hometown bank to get cash.

1950

Credit Cards

Diners Club releases its first card. It's made of cardboard and can be used at more than 20 restaurants in New York City. After a year in circulation, the Diners Club card garners almost 20,000 users. Eight years after the Diners Club hits NYC streets, the first versions of American Express and Visa cards are issued.



1971

U.S. Dollar



The United States officially goes off the gold standard. After paying for the Vietnam War and expanding social programs, inflation rises on the rise and the gold standard became severely outdated.

1994

Online Shopping

Though the official debut of online shopping is debated, one of the first documented internet purchases was a pepperoni pizza with mushrooms and extra cheese from Pizza Hut.



1997

Mobile Payments



M-commerce is introduced when Coca-Cola sets up several vending machines that can accept payment via text message.

2012

With the mobile payments industry expected to reach \$470 billion by 2015, an increase from \$240 billion last year, the future is looking bright for m-commerce.

SOURCES: pbs.org time.com payments.intuit.com marketwire.com nearfieldcommunication.org

intuit

The History of Money

The story of money goes hand-in-hand with that of mankind. Considering how important money is to each of us, this should come as no surprise.

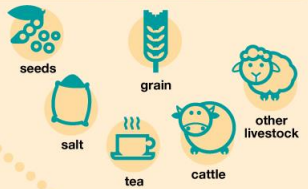
Since at least as far back as 1200 BC, people have been giving value to objects such as cowry shells, metals, paper and, now, computer code to use as mediums of exchange. When considering the value of, let's say, a cowry shell, a person today may wonder why his or her money has value. Well, actually it does not have inherent value; its worth comes from the implicit agreement between everyone using that form of money. As long as they believe their money has value, it does. Once they start losing faith in that money, value will drop.

Bartering and Exchange

Bartering is exchanging products or services for commodities.



When one type of commodity is traded for another type of commodity, those commodities are called "commodity money," things that are used by most people, such as:



Taxes were first collected in Egypt close to 5,000 years ago when goods and labor were offered as ways of paying.



Sunny days have people tipping more than dreary days do.

TIP is the acronym for "To Insure Promptness."

circa 1200 BC

Cowry Shells

Archaeologists believe that cowry shells were first used in China. These hardy, decorative shells have also been used as currency by other cultures, in other lands, at other times.



circa 1000 BC

Metals

The first use of metal as money is believed to have been around 3,000 years ago in China. The metal was formed into shapes to resemble cowry shells.



First Coins

The first coins minted were probably the Lydian electrum trites from present-day Turkey. These coins, made of a gold and silver alloy, sported a lion's head on one side.



circa 600 BC

Paper Money

Paper money first made its way into marketplaces a mere 1,000 years ago during the Tang dynasty in China. Numismatics, scientists who study the history of money, believe that this was the byproduct of block printing.



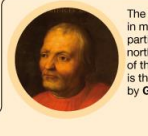
Marco Polo was amazed by the paper currency he saw during his travels through China.



circa 1000 AD

Banking in Europe

The modern form of banking had its birth in medieval and early Renaissance Italy, particularly in the nation's wealthy northern cities. One of the most famous of the banks from this period is the Medici bank founded by Giovanni Medici in 1397.



Using the word "buck" to mean a dollar comes from the days when many Americans traded animal skins, including those from deer and elk bucks.

circa 1400 AD

Wampum

The Massachusetts Bay Colony declared wampum, strings of clamshells used as money by American Indians, legal tender.



The Gold Standard

Britain pegged its currency to gold to help govern inflation. America went on the gold standard in 1900. They have both since left the gold standard.

The U.S. government began to print paper "green-backs" to finance the Civil War in July of 1861. These first paper notes were worth 1 cent, 5 cents, 25 cents, and 50 cents.

The paper used in U.S. bills is not made from trees, but rather made up of:



1816

Credit Card

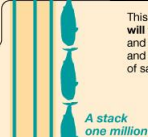
Frank X McNamara, head of the Hamilton Credit Corporation, invented the credit card.



1950

Google Wallet and ClearXChange

This newest monetary transformation will turn your phone into your wallet and possibly send bills, coins and credit cards the way of bags of salt and cowry shells.



A stack one million US\$1 bills would weigh 1 ton, and would be 361 feet high, the same length as six sperm whales lined up from end to end.

More play money has been printed by Parker Brothers for its Monopoly games than real money has been issued in the U.S. by the Federal Reserve.

Summer 2011

65% of Americans would live on a deserted island all by themselves for an entire year for \$1,000,000.



I hope one day I'll be on this list too!

CreditDonkey