

Quiz 11 | Money

- Due Mar 26 at 11:59pm
- Points 20
- Questions 17
- Time Limit None
- Allowed Attempts 2

Instructions

(There are seventeen questions in this quiz, but the values have been adjusted so the total number of points for the assessment is 20.)

Take the Quiz Again

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	9 minutes	16.5 out of 20

 Correct answers are hidden.

Score for this attempt: 16.5 out of 20

Submitted Mar 26 at 2:48pm

This attempt took 9 minutes.



Question 1

1.2 / 1.2 pts

Which of the following is not considered a characteristic of money?

- ☐ It can be used to make future payments.
- ☐ It is a unit of account.
- ☒ It must have intrinsic value.
- ☐ It is a means of payment.



Question 2

1.2 / 1.2 pts

When you purchase a "Go VOLS!" T-shirt, money is serving which function?

- ☐ store of value

- ☐ unit of account
- ☐ standard of deferred payments
- ☒ medium of exchange



Question 3

1.2 / 1.2 pts

If Bill performs plumbing upgrades for Alice in exchange for her incorporating his business, then their _____ will be satisfied.

- ☒ double coincidence of wants
- ☐ division of labor
- ☐ balance of trade
- ☐ convenience of exchange



Question 4

1.2 / 1.2 pts

_____ is a completely inadequate mechanism _____ in a modern advanced economy.

- ☐ Currency; for providing a medium of exchange
- ☒ Barter; for trying to coordinate trades
- ☐ Money; for providing a store of value
- ☐ Money; to use as a unit of account



Question 5

1.2 / 1.2 pts

In macroeconomics, a _____ assesses market values in an economy.

- ☐ store of value
- ☐ unit of exchange
- ☒ unit of account
- ☐ medium of exchange



Question 6

1.2 / 1.2 pts

In uncertain economic times, _____ serves as a way of preserving economic value that can be spent or consumed in the future.

- ☐ refinancing your home mortgage
- ☒ owning gold
- ☐ obtaining a credit card
- ☐ buying a new car



Question 7

1.2 / 1.2 pts

Beth paid \$155,000 for her house in 2003 and sold it for \$305,000 in 2006. What function did the house serve during the time Beth owned it?

- ☐ unit of exchange
- ☒ store of value
- ☐ unit of account
- ☐ medium of exchange



Question 8

1.2 / 1.2 pts

Money, particularly currency, as a store of value in today's economic times is sometimes criticized. Which of the following is the most valid criticism?

- ☐ imperfect as a unit of account
- ☐ storing money is wasteful
- ☐ money supply is too narrowly defined
- ☒ inflation causes a loss of buying power



Question 9

1.2 / 1.2 pts

Which of the following would be classified in the M1 category of the money supply?

- ☒ demand deposits

- ☐ certificates of deposit
- ☐ gold bars
- ☐ money market deposit



Question 10

1.2 / 1.2 pts

Which of the following terms is considered to be a narrow definition of the money supply that includes, among other things, currency?

- ☒ M1
- ☐ M2
- ☐ money
- ☐ savings



IncorrectQuestion 11

0 / 1.2 pts

In a barter transaction, _____ is eliminated.

- ☒ a store of value
- ☐ money
- ☐ a standard of deferred payment
- ☐ trade



Question 12

1.2 / 1.2 pts

Fiat money

- ☒ has no inherent value in and of itself.
- ☐ can be exchanged for silver, but only in an emergency.
- ☐ is backed by gold.
- ☐ is not generally accepted as valid money.



Question 13

1.1 / 1.1 pts

An asset is

- ☒ something of value that you own.
- ☐ another word for money.
- ☐ something that you owe.
- ☐ another term for net worth.



IncorrectQuestion 14

0 / 1.1 pts

Stealth bank holds deposits of \$200 million. It holds reserves of \$15 million. It has purchased government bonds worth \$75 million. The current value of its loans, if sold at market value, is \$130 million. What is the total value of the claims against the Stealth bank?

- ☐ \$330 million
- ☐ \$220 million
- ☒ \$20 million
- ☐ \$5 million



Question 15

1.1 / 1.1 pts

Refer to the table below.

Item	In Billions
Checkable Deposits	\$600
Small Time Deposits	\$700
Currency and Coins	\$500
Money-Market Mutual Funds Held by Businesses	\$1,200
Savings Deposit Accounts	\$2,500
Money-Market Mutual Funds Held by Individuals	\$800

What is the size of the M1 money supply?

- ☐ \$800
- ☐ \$2,600
- ☒ \$3,600
- ☐ \$6,300
- ☐ \$1,900



IncorrectQuestion 16

0 / 1.2 pts

If \$2,000 is withdrawn from the bank by a customer, the bank's

- ☐ Liabilities decrease and assets rise
- ☐ Assets and liabilities decrease
- ☒ Assets decrease and liabilities rise

Liabilities decrease

Learning Objective: Analyze and create T-account balance sheets

- ☐ Assets rise



Question 17

1.1 / 1.1 pts

Credit cards

- ☐ have intrinsic value.
- ☐ are considered money and are included in M1.
- ☐ are considered money, but are not included in M1, only in M2.
- ☒ are not considered money.

Quiz Score: 16.5 out of 20