Module 1: What is Money?

Teacher Overview

This lesson introduces students to the concept of money - what it is, how it has evolved, and why it holds value. Understanding the fundamentals of money is essential before exploring Bitcoin or any modern financial system.

Learning Objectives

- Define money and explain its three core functions
- Describe the historical evolution of money from barter to digital currency
- Explain what gives money its value
- Discuss the strengths and weaknesses of different types of money

Key Concepts to Cover

- The functions of money: medium of exchange, store of value, and unit of account
- Barter systems and their limitations
- Commodity money (e.g., gold), fiat money (e.g., U.S. dollar), and digital money
- Inflation and the decline in purchasing power
- The role of trust and government backing in monetary systems

Discussion Questions

1. What would our lives be like if we still used barter instead of money?
2. Why do people trust paper money when it has no intrinsic value?
3. What is inflation, and how does it affect everyday people?

4. Could digital currencies like Bitcoin replace traditional money?

Suggested Activities

Timeline of Money: Students create a visual timeline showing the progression of money: barter -> shells -> metal coins -> paper money -> credit cards -> digital currency -> Bitcoin. Module 1: What is Money?

Money Debate: Divide students into two groups. One defends gold as money, the other defends fiat currency. After the debate, introduce Bitcoin as a third option and open discussion.

What is Value?: Ask students: "Why does a dollar have value?" Record responses and analyze the social, governmental, and economic reasons behind the answers.

Extension and Homework

- Watch a short video (such as 'The History of Money') and write a paragraph reflection.
- What Is Money, Really? (Blog Article)
- Interview a parent or grandparent about how they used money growing up. How has it changed?