Top Secret

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Money, Methods of payment, Banking

**What is money?**

* Money is everything that serves as a universally accepted medium of exchange or means of payment.
* It is the most active and powerful economic instrument which is used anywhere and anytime.

**Function of money**

* Money helps people to exchange goods and services for other commodities, it means to make transactions.
* It gives the value to nearly everything.
* It can be kept for spending at a later date.
* We can compare the value of various goods and services thank to money.

**Evolution of money**

* Before money people used the barter system to exchange their products. Barter was the direct change of goods. In the marketplace one could barter his hen for example for something of the same value.
* Later people developed a more practical system of exchange. They used commodity money – goods which were told to have value. For instance: cattle, salt, wine, tobacco, etc.

**Now we use paper and metal or plastic money.** ¨

* Banknotes are paper money. They are protected from counterfeiting by water marks, security threads, microprinting in the design and use of reflective materials.
* Coins are metal money.
* All types of plastic cards used in place of cash are called plastic money.

**Advantages of credit cards or cash cards**

* You can obtain cash from a cash dispenser 24 hours a day.
* You can make payments without using cash in shops, restaurants, hotels and so on.
* You do not need to have money with you and it protects you against losses.

**At the cash point**

* Insert your card.
* Key in your PIN number.
* Press the withdraw cash button.
* Choose the amount of money you want.
* Take your card.
* Take your cash.

**Exchange rate**

* Exchange rate is the relation in value of one currency against another.
* You can find it in every bank, in newspapers and on the Internet.
* Exchange rate is changed every day.

**Convertible**

* currencies Convertible currencies are national currencies which can be freely bought for other national currencies.
* Pounds
* Euros
* Dollars
* Swiss
* Franks
* Czech Crowns