

### **Essay 3 – Digital Money**

“Money, in and of itself, has no actual value; it can be a shell, a metal coin, or a piece of paper.” (Beattie, 2020). Therefore, money is an object that can take any form from paper to metal and in this era can take the form of either physical or electronic. Money is used to purchase goods or services and pay fees or fines in this current era. However, before money was invented something called barter system existed. “Bartering is the exchange of goods and services between two or more parties without the use of money.” (Kenton, 2019). Kenton further explained that barter is the oldest or first form of commerce in history and people would barter goods and services between one another based on equivalent worth of the good or service. However, when money was invented there was a timeline of what forms of money was invented in the world’s history. Commerce when from bartering to currency as known as money which spanned from the Cattle in 9000 - 6000 B.C., Cowrie Shells in 1200 B.C., First Metal Money and Coins in 1000 B.C., Modern Coinage in 500 B.C., Leather Money in 118 B.C., The Nose in A.D. 800 – 900, Paper Currency in A.D 806, Potlach in 1500, Wampum in 1535, The Gold Standard in 1816, End of the Gold Standard in 1930 and lastly the present and the future there is something called Electronic money.

Money has evolved drastically and in today’s era there is the existent of electronic money which is refer to, “money that exists in banking computer systems that may be used to facilitate electronic transactions” (Bloomenthal, 2020). There are many examples of electronic money existing. Some examples are Bitcoin, Square, PayPal, Apple Pay and Google Pay. However, in this essay Bitcoin would be the main example of electronic money example that will be used. Bitcoin is an application or website that can be either used as an app on your phone or tabs or use

on your computer as a website to basically earn money and use this system to pay or make transaction. People use Bitcoin to earn money fast and to make transaction online.

Due to the Covid-19 pandemic, a lot of people ended up unemployed and quarantined for months and had to practice social distancing to help stop the spread of the virus around the world. Using electronic money at this time for transaction and as a way of income will help solve the unemployment issues and help stop the spread of the virus. Another advantage to support this point will be that is faster to use electronic money rather than the physical paper or coin or card money to purchase things as there would be lines in stores and under Covid-19 times, that will be a problem since the virus can spread with a lot of people gathered in a line.

There are lower fees to pay and more freedom when it comes to payment when using Bitcoin. Normally, any transaction charges a person fees to pay or like some form of taxation. With Bitcoin these transaction fees are quite low and available as well as according to the person's priority there might not even be a fee to pay. When it comes to payment, bitcoin does not have any restrictions or boundaries so people can have transactions with people all around the world. There is some weakness to consider when using Bitcoin, however, such as money laundering and government interference. These two weaknesses may be seen as heavy weakness of using Bitcoin, but the advantages or benefits outweigh the weakness or disadvantages.

In conclusion, with the evolution of money, today we have been introduced to electronic money to which due to Covid-19 and evolution of technology the world has changed a lot from how people using commerce.

## References

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