

# The end of notes and coins

READING

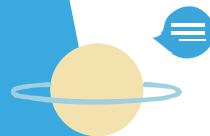
LEVEL  
Advanced

NUMBER  
C1\_4015R\_EN

LANGUAGE  
English



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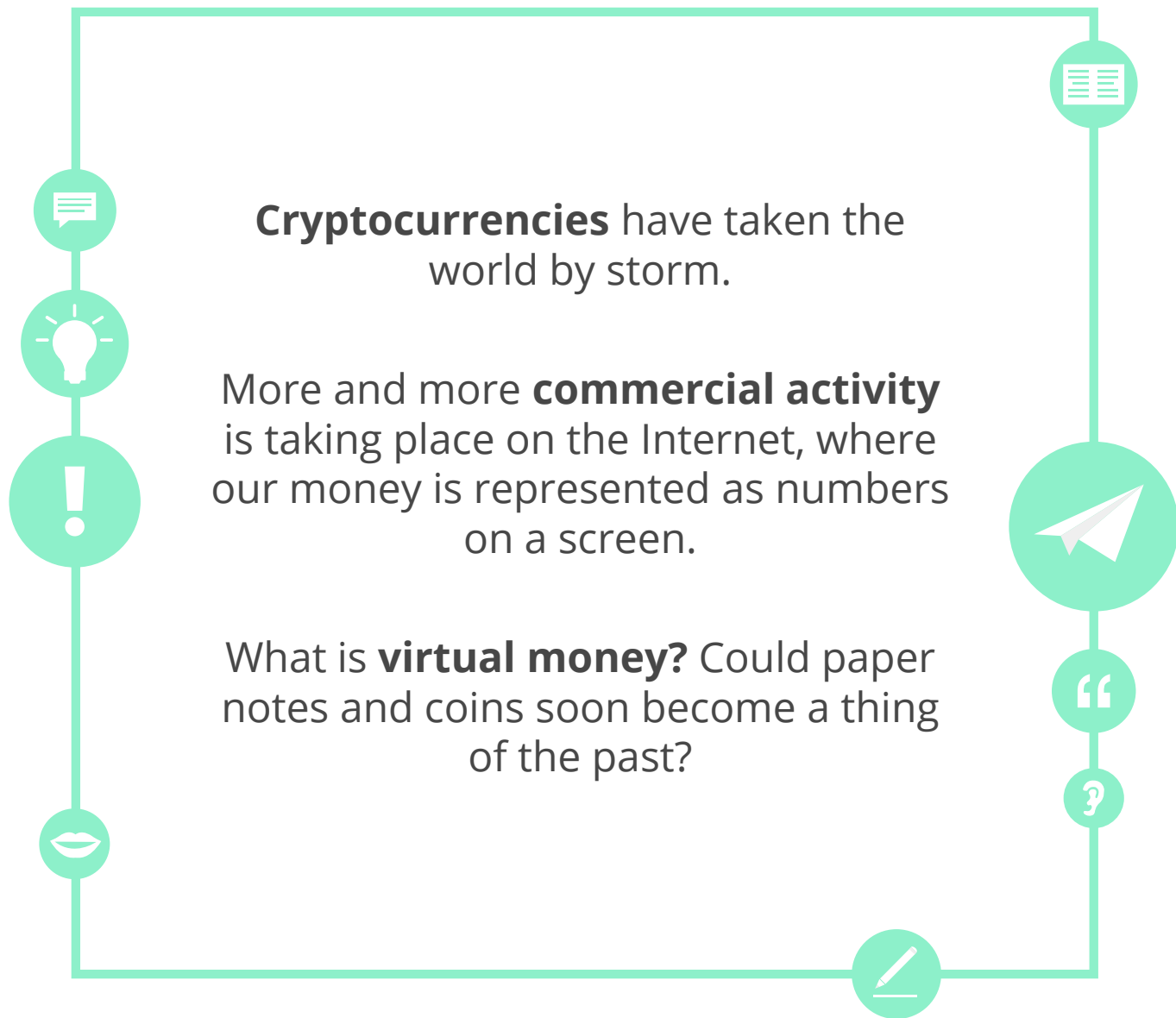




## Goals

- Can read and understand a complex text about the future of money.
- Can discuss the pros and cons of ending the circulation of notes and coins and using virtual money.







## Virtual money

Have you heard of  
cryptocurrency?

Perhaps you know somebody  
who has invested in virtual  
currency?

Talk to the teacher.





## Your opinion

Would you ever be interested in using virtual money?  
Why (not)?

UNCH	-47.20	47.28	62.45	61.73	13,773,000	NYSE New York
UNCH	-65.30	66.90	66.76	66.05	0	Underwritten
UNCH	-85.00	87.95	88.54	87.01	7,701,000	NYSE New York
UNCH	-85.00	+37.53	41.14	39.70	4,307,500	NYSE New York
UNCH	+17.00	-23.20	23.25	23.54	2,735,190	NYSE New York
UNCH	-06.00	-16.71	16.74	16.89	58,495,096	NYSE New York
UNCH	-18.00	-35.00	36.35	35.87	37,308,467	NYSE New York
UNCH	-65.00	-69.25	70.49	70.10	8,038,800	NYSE New York
UNCH	-73.00	-24.37	24.65	25.10	3,676,800	NYSE New York
UNCH	-45.00	-48.50	50.32	49.87	4,486,100	NYSE New York
UNCH	-36.00	-42.05	44.25	43.02	1,729,400	NYSE New York
UNCH	-52.00	-62.78	64.14	63.71	9,740,500	NYSE New York
UNCH	-86.00	-83.07	84.00	84.50	9,275,100	NYSE New York
UNCH	-86.00	-83.07	84.00	84.50	10,226,400	NYSE New York
UNCH	-86.00	-83.07	84.00	84.50	20,480,200	NYSE New York
UNCH	-86.00	-83.07	84.00	84.50	24,567,900	NYSE New York



## Vocabulary



The possibilities of **blockchain** technology are endless.

The new prime minister **heralded** a whole new era for the way the health system is handled.



Virtual reality promises a **paradigm shift** in the way we learn.

She has such an **antiquated** sense of style.







## Vocabulary



The share price **skyrocketed** after the CEO's announcement.

We saw many **relics** from prehistory at the natural history museum.



Despite official forecasts there is still **instability** in the market.

We can expect **volatility** in our share price in the coming season.



## cryptocurrency

A **cryptocurrency** is a digital asset designed to work as a currency. Cryptography is used for security and to guard against counterfeiting. **Cryptocurrency** transactions are anonymous and untrackable.



Have you invested in a **cryptocurrency** yet?





## The end of notes and coins



Many see 2017 as the year where digital currencies entered the mainstream. The runaway success of **blockchain** currencies such as Bitcoin exceeded even the most optimistic of expectations and prompted deep structural questions about the role of money and the shape it can take. Could virtual money be a fundamental **paradigm shift heralding** the end of traditional state backed currency? The reality could be much darker – a rapidly accelerating financial crisis.



## The end of notes and coins

Could we be approaching a period where traditional paper money and coins are seen as **antiquated relics** of a cruder time? The market response suggests so – in the six years of its lifespan Bitcoin has **skyrocketed**, multiplying by 15 000 in value. Its dizzying rise has prompted a frenzy of speculation about **cryptocurrencies**, a horde of adoptees and concerns about the risks of the fallout and **instability** if the bubble bursts.



## The end of notes and coins

With its fifteen fold increase in value since its **inception** it is understandable why Bitcoin has prompted a digital **stampede** of interest. Its system is **decentralised**, giving it many advantages over state issued currency. It cannot be stolen, features anonymous transactions and has no borders.





## The end of notes and coins

Due to the anonymity, cryptocurrency is infamous for being used for illegal purposes. Another significant drawback is its high level of **volatility** – fuelled by speculation and betting on its gravity defying rise in value. Many leading investors decry cryptocurrencies and predict they will crash spectacularly or pose a threat to the global economy. These critics frame it as a digital gold rush, fuelled by the kind of irrational behaviour brought on by the lure of easy money.



## New vocabulary

**inception**

Since the organisation's **inception** five years ago, it has been working tirelessly to help the homeless.

**stampede**

When the sale began, there was a **stampede** of customers towards the doors of the shop.

**volatility**

The **volatility** of the stock market is deterring investors at the moment.

**decentralised**

We closed down headquarters last year and **decentralised** into a few smaller offices around the country.



## Choose the best answer

1. The stampede of investment in cryptocurrency is seen by some to be \_\_\_\_\_.

- a. intelligence      b. international      c. irreversible      d. irrational

2. Some think virtual money could herald the end of traditional state-backed \_\_\_\_\_.

- a. shares      b. currency      c. cryptocurrency      d. system

3. Bitcoin's dizzying rise has been prompted by waves of \_\_\_\_\_ and investment.

- a. spectacular      b. spectacles      c. spectator      d. speculation

4. Many leading investors \_\_\_\_\_ cryptocurrencies.

- a. deliver      b. discern      c. decry      d. disapprove





## Definitions

**What are the major differences between cryptocurrencies and traditional state-backed currencies?**

exist as data

limited use for  
payment beyond  
the Internet

decentralised and  
unsupported by  
major banks

transactions are  
able to be traced

greater anonymity

impossible to  
counterfeit

represented by  
paper notes and  
coins

less volatile than  
the alternative

traditonal currency

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cryptocurrency

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## What do these phrases from the text mean?

...the year where digital currencies entered the mainstream

Another significant drawback is its high level of volatility...

Many leading investors decry cryptocurrencies...

...could virtual money be a fundamental paradigm shift?

...prompted deep structural questions about the role of money

Its dizzying rise...



## The end of notes and coins

Bitcoin's potential for disruption can be seen on the streets of many European cities. In Berlin's progressive neighbourhoods of Kreuzberg and Neukölln a number of restaurants, shops and businesses offer payment by cryptocurrency as an alternative to traditional cash. While in real payment terms Bitcoin is still niche, there are many features of the cryptocurrency which make it user friendly.





## The end of notes and coins

As a form of digital payment, cryptocurrency is a cheaper alternative to credit card payments, which are expensive to set up and tricky to get out of once signed up. A rise in alternative cryptocurrencies such as Ethereum, Tether and Ripple, all competing to be the next Bitcoin success story, is testament to the **rampant** speculation and **feverish** activity surrounding digital currency.



## The end of notes and coins

Others are more interested in the potential of cryptocurrencies to affect **deep-rooted** social and cultural changes. Critical of the **hegemony** of the financial class, they see cryptocurrency as an **insurgent** player with the potential to redraw the lines of influence and power. The revolutionary **ramifications** begin by giving people the opportunity to bypass banks and traditional payment methods, which explains in part why the digital currency has taken off in Berlin's edgier districts. The ethos of cryptocurrency captures the political consciousness of a community which is generally critical towards the capitalist system. Indeed, Bitcoin scared many in the conventional world of finance and has the potential to bankrupt a great many bankers. But the more Bitcoin grows, there is also more chance that conventional financial institutions and regulators could get involved and ensure it plays by the same rules as other players in the industry.



## New vocabulary

**rampant**

**Rampant** prejudice makes it hard to get a job in this city.

**feverish**

Mark tore his bag apart, **feverishly** looking for his keys.

**deep-rooted**

Poverty is a **deep-rooted** issue in this city especially.

**hegemony**

The countries fought for **hegemony** over the region.

**insurgent**

The **insurgents** were planning a huge riot against the governmental policies they disagreed with.

**ramifications**

That decision could result in some serious **ramifications**.





## Persuade the teacher

**Pick one of the statements below. Prepare some points to discuss with your teacher and try to persuade them that the statement is correct.**

Paper notes and coins will never be completely replaced by virtual currency.

Bitcoin and its ilk are dangerous fads which will leave many investors financially ruined.

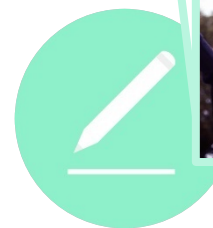
Cryptocurrencies will liberate the world from the clutches of financial capitalism.



## Write a list

**Write a list of the main reasons why someone might invest in cryptocurrency.**

**When complete, order your list from most to least likely.  
Explain your reasoning to the teacher.**





## Talking about downsides

**Talk to your teacher about each of the downsides to Bitcoin in the boxes below.**

complex and  
unfriendly to those  
unfamiliar with  
technology

susceptible to  
hacking

value is extremely  
volatile

unknown future



## The end of physical currency

**Read the article about the end of physical currency and fill in the blanks with the most appropriate vocabulary.**

Experts have \_\_\_\_\_ the death of cash for decades. With the spread of \_\_\_\_\_ and contactless payments, it seems an easy forecast to make. However, cash does have some benefits that make this outlook less certain.

On one hand, cash is \_\_\_\_\_, convenient and reliable. The use of credit cards, or any online payment methods can be instantly connected to an individual, making cash superior for those who don't want to flaunt their \_\_\_\_\_.

Physical currency is also less risky in the advent of electronic blackouts, or the possibility of a blip in the Internet. While virtual currency is taking off, it is still too \_\_\_\_\_ to realistically replace cash completely.

identity

volatile

predicted

untraceable

cryptocurrencies





## The end of notes and coins



Will cryptocurrencies eventually become commonly used as a source of payment and eventually normalise in value? Or is the fantastical growth in the market share of cryptocurrency the kind of **collective** insanity that will be only a **blip** in financial history before leaving investors destitute and forlorn?

The jury is still out – those interested in investing should do their research about financial bubbles before **succumbing** to temptation. If the supply of speculators and investors **dries up**, so too will the value of the cryptocurrency.



## The end of notes and coins

The efficiency of online banking and use of debit cards is also hard to ignore. Data suggests that paper notes and coins might be an antiquated notion within two decades. Third-party payment systems such as Paypal have long been in the mainstream. As technological progress provides us with the infrastructure to make digital transactions smoother, paper notes and money may indeed become a thing of the past. Some day, perhaps the only money we ever see will amount to some numbers on a screen.







## New vocabulary

**collective**

Our **collective** efforts have made this project a big success!

**blip**

It seemed terrible at the time, but it was really only a **blip** on the radar and had no lasting effects.

**to succumb**

Although I was on a diet, I eventually **succumbed** to temptation and ate some chocolate.

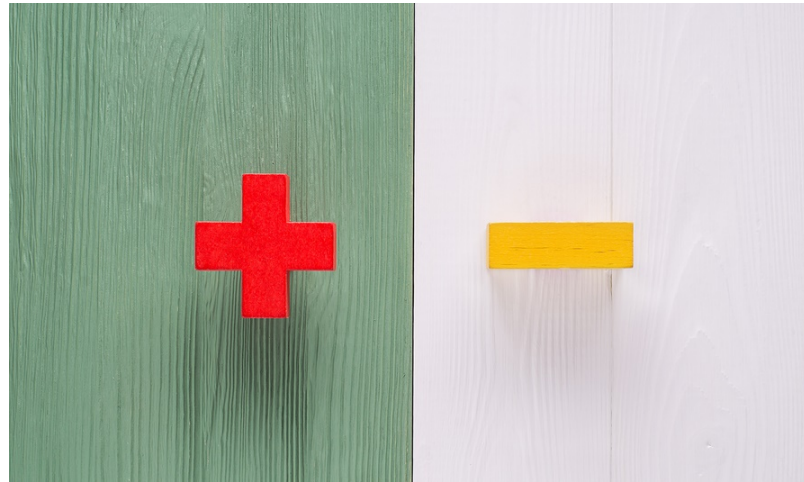
**to dry up**

It's only a matter of time before the world's sources of fossil fuels **dry up**.

## contrasting

**Contrasting** is the process of comparing two different ideas in order to identify the difference.

As water sources dry up the cycle accelerates, causing a loss of vegetation and wildlife.



After **contrasting** the lifestyle of both animals vast differences in their diet were discovered.



## Contrasting worlds

**Contrast the likelihood of the two options below. Answer each of the questions in the boxes underneath and summarise the most likely scenario.**

A world without  
physical money

A world with  
both physical  
and virtual  
currency

Is cash  
necessary?

What are the  
benefits of  
cash?

What are the  
risks?

Will people still  
accept cash in  
20 years?

Blank lined area for writing answers.

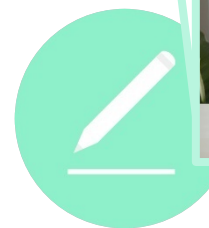
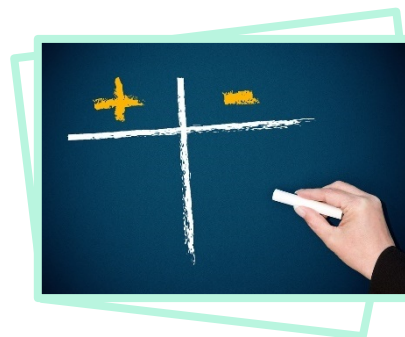


## Opinion

**Many of your friends and colleagues have invested in virtual currencies and seen very profitable returns. Many have asked why you haven't done the same. What will you do?**

**Will you invest in virtual currency? If so, explain why.  
If not, justify your decision.**

A blank sheet of lined paper with a blue vertical margin line on the left side, intended for writing an opinion.





## The end of notes and coins

**What is your reaction to the quote below? Will paper money and coins become a relic of the past? Write a 150 word response, justifying your answer with information from the text.**

//

As technological progress provides us with the infrastructure to makes digital transactions smoother, paper notes and money may indeed become a thing of the past.

//



## Recommendation

**Write a letter back in time to yourself from the 2030. Try to imagine the technological progress that has taken place in the financial world. How do you pay for things now? Be as creative as you like!**

A rectangular box with a thin black border, containing several horizontal lines for writing. The lines are arranged in a way that suggests a letter format, with a short line at the top right, a short line on the left, and a series of longer lines in the center for the main body of the letter. There are also short lines at the bottom left and bottom right.





## Reflect on the lesson

Take a moment to review any new **vocabulary, phrases, language structures** or **grammar points** you have come across for the first time in this lesson.

Review them with your teacher one more time to make sure you don't forget!

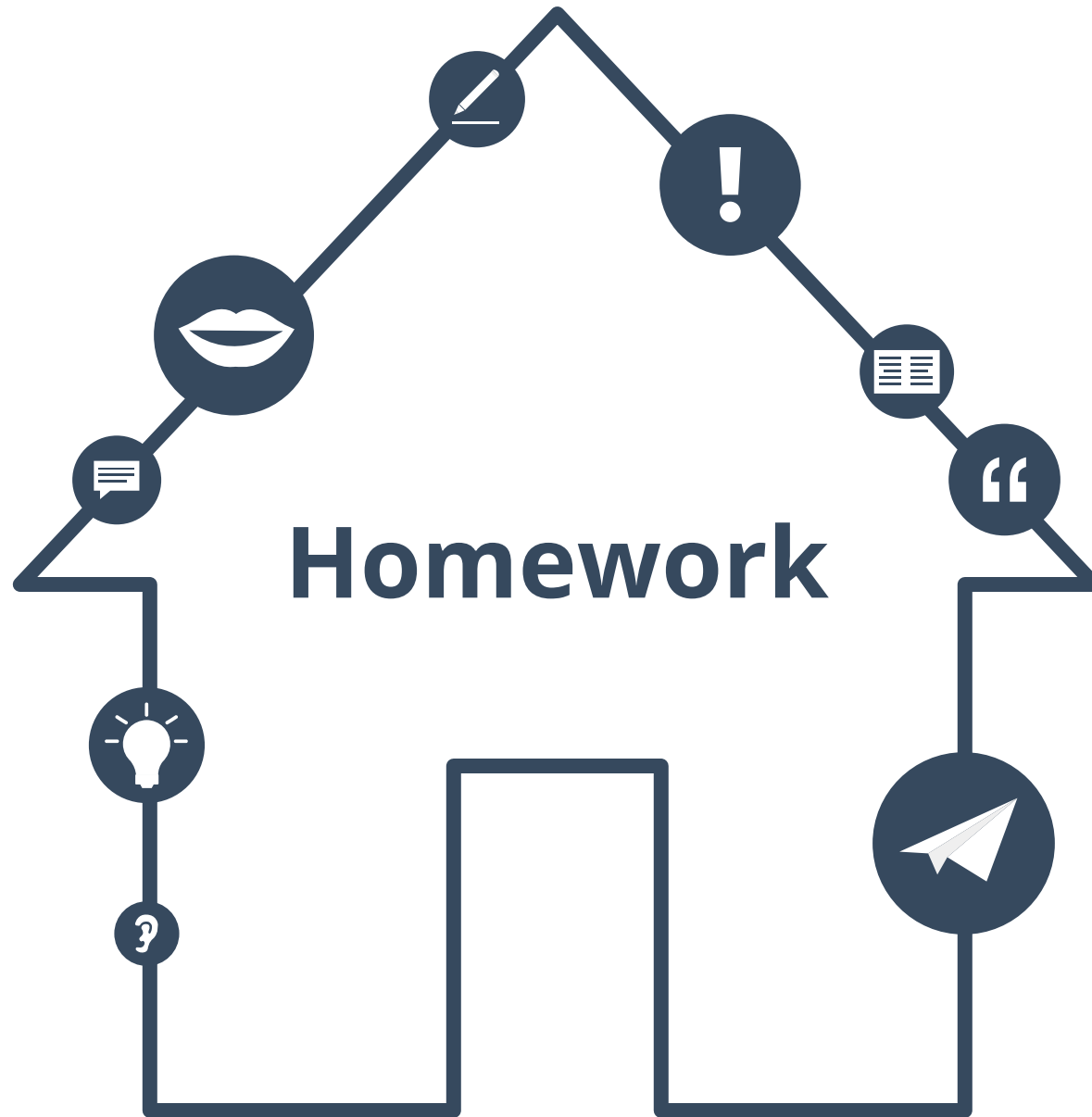




## Answer key

**Activity P. 14**  
1D, 2B, 3D, 4C

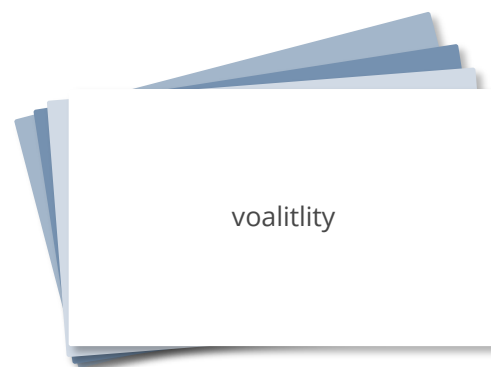
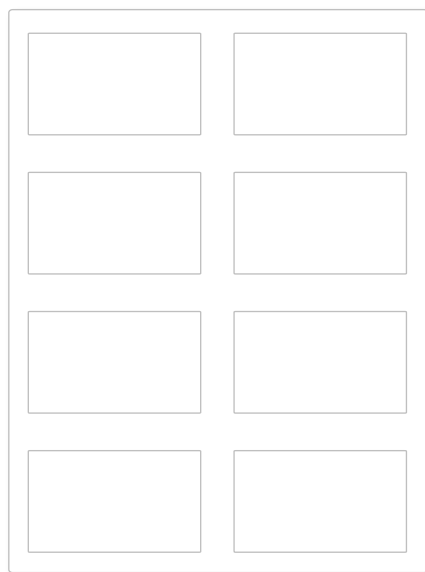
**Activity p. 24**  
Predicted, cryptocurrencies, untraceable, identity, volatile





## Vocabulary flashcards

**Create flashcards of the new vocabulary in this lesson.  
Be sure to include the definition on the reverse side.**





## Write an email

**Write an email to your friend summarising the pros and cons of virtual money.**

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□

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To: \_\_\_\_\_

Subject: The pros and cons of virtual money

Dear \_\_\_\_\_



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