

THE CORE BITCOIN DIPLOMA OCT - DEC 2023 COHORT ASSIGNMENT 1

* Indicates required question

1. What type of money is issued by the government and not backed by any physical commodity? * 1 point

Mark only one oval.

- ☐ Representative money
- ☐ Commodity money
- ☐ Fiat money
- ☐ Other: _____

2. Which type of money is backed by a physical commodity like gold or silver? * 1 point

Mark only one oval.

- ☐ Commodity money
- ☐ Bitcoin
- ☐ Electronic currency

3. What is the primary function of money that allows it to serve as a medium of exchange? * 2 points

Mark only one oval.

- ☐ Durability
- ☐ Portability
- ☐ Divisibility
- ☐ Fungibility
- ☐ Acceptability

4. What type of money operates without intermediaries, allowing direct peer-to-peer transactions? * 1 point

Mark only one oval.

- ☐ Bitcoin
- ☐ Central Bank Digital Currencies (CBDCs)
- ☐ Digital wallets

5. In the context of money, what does "fungibility" mean? * 1 point

Mark only one oval.

- ☐ It can be easily divided into smaller units.
- ☐ It is interchangeable with other forms of money.
- ☐ It has intrinsic value

6. What is the characteristic of money that refers to its ability to resist physical deterioration? * 1 point

Mark only one oval.

- ☐ Divisibility
- ☐ Portability
- ☐ Durability

7. Which type of money represents a claim on a physical commodity and can be traded for that commodity at a bank? * 1 point

Mark only one oval.

- ☐ Commodity money
- ☐ Digital money
- ☐ Fiat money
- ☐ Representative money

8. In the desert example, what characteristic of money is demonstrated when choosing to drink all the water at once? * 2 points

Mark only one oval.

- ☐ High time preference
- ☐ Low time preference
- ☐ Fungibility

9. What does opportunity cost refer to in the context of decision-making? * 2 points

Mark only one oval.

- ☐ The immediate reward gained from a decision
- ☐ The value of the next best alternative given up when making a decision.
- ☐ The uniformity of money

10. Why is the "double coincidence of wants" a challenge in a barter system? * 1 point

Mark only one oval.

- ☐ It encourages saving.
- ☐ It makes trade more efficient.
- ☐ It requires both parties to have something the other wants.
- ☐ It eliminates the need for a medium of exchange

11. In the transition from barter to commodity money, why was commodity money preferred over barter? * 1 point

Mark only one oval.

- ☐ Commodity money allows for more efficient barter
- ☐ Commodity money is easier to transport
- ☐ Commodity money retains value over time.
- ☐ Commodity money reduces the need for intermediaries

12. What is the significance of paper receipts in the evolution of money? * 1 point

Mark only one oval.

- ☐ Paper receipts allowed for easier barter
- ☐ Paper receipts provided a more portable and easily transferable form of money

13. What are some potential disadvantages of living in a cashless society from a financial standpoint? * 1 point

Mark only one oval.

- ☐ Increased privacy and financial inclusion
- ☐ Easier access to credit
- ☐ Risk of identity theft and data breaches
- ☐ Reduced efficiency in financial transactions

14. What is the money supply? * 1 point

Mark only one oval.

- ☐ The total amount of currency in circulation
- ☐ The total amount of money in a bank's vault
- ☐ The total amount of gold reserves held by a country
- ☐ The total amount of government debt

15. In the class exercise about inflation, what happens when the teacher adds a significant amount of monopoly money to the total money supply? * 1 point

Mark only one oval.

- ☐ The money supply decreases
- ☐ The prices of goods and services increase
- ☐ Inflation decreases
- ☐ The prices of goods and services remain unchanged

16. How is the money supply relevant in the real world? *

1 point

Mark only one oval.

- ☐ The money supply has no relevance in the real world
- ☐ It affects interest rates, economic growth, and inflation
- ☐ The money supply only impacts stock market performance
- ☐ It determines the value of the gold standard

17. What is purchasing power? *

1 point

Mark only one oval.

- ☐ The total amount of money in circulation
- ☐ The amount of goods and services a particular currency is able to buy at a particular time
- ☐ The money supply in a country
- ☐ The value of gold reserves

18. Which term refers to a detailed record of monetary transactions? *

1 point

Mark only one oval.

- ☐ Inflation
- ☐ Purchasing power
- ☐ Ledger
- ☐ Money supply

19. What happened to the purchasing power of dollars in the example of Jaime's budget over time?

* 1 point

Mark only one oval.

- ☐ It increased
- ☐ It remained constant
- ☐ It decreased
- ☐ It had no impact on his budget

20. Which of the following is not a way that banks generate revenue? *

1 point

Mark only one oval.

- ☐ Charging fees for services
- ☐ Charging interest on loans
- ☐ Conducting currency exchange operations
- ☐ Earning money through investments
- ☐ None of the Above

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