

THE CORE-BITCOIN DIPLOMA 2024

CHAPTER 5 QUIZZES (COHORT 6)

* Indicates required question

1. **How does inflation affect the purchasing power of money? ***

Mark only one oval.

- ☐ It increases the value of money over time
- ☐ It keeps the value of money constant
- ☐ It decreases the value of money, making goods and services more expensive
- ☐ It eliminates the need for money altogether

2. **What issue does Jaime face when comparing his expenses over time? ***

Mark only one oval.

- ☐ His expenses remain the same despite earning more
- ☐ His salary increases at the same rate as his expenses
- ☐ His expenses decrease due to inflation

3. **Why do many people spend money immediately instead of saving? ***

Mark only one oval.

- ☐ Because their wages increase faster than inflation
- ☐ Because goods and services get cheaper over time
- ☐ Because saving money has no risks
- ☐ Because they prefer short-term gains over long-term planning due to inflation

4. **What is the main consequence of the fiat system increasing the money supply?** *

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- ☐ Prices of goods and services rise
- ☐ Money becomes more valuable
- ☐ People's wages increase at the same rate as inflation
- ☐ The economy becomes more stable

5. **How do many people respond to rising costs and stagnant wages?** *

Mark only one oval.

- ☐ They save more money
- ☐ They receive higher wages to compensate for inflation
- ☐ They take on more debt through loans and credit
- ☐ They invest in real estate

6. **What is one effect of the fiat system on individuals' psychology?** *

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- ☐ It encourages long-term financial planning
- ☐ It makes people more optimistic about the future
- ☐ It creates a high time-preference, making people focus on short-term gains
- ☐ It encourages people to save more money

7. **How does the fiat system contribute to political centralization? ***

Mark only one oval.

- ☐ By ensuring fair wealth distribution
- ☐ By decentralizing financial power
- ☐ By preventing global conflicts
- ☐ By allowing governments to print money and control financial resources

8. **How does money printing contribute to wealth inequality? ***

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- ☐ It ensures every citizen gets an equal share of new money
- ☐ It benefits powerful entities before inflation impacts the rest of society
- ☐ It decreases the power of central banks
- ☐ It prevents economic crises

9. **What is one of the major consequences of wealth inequality caused by the fiat system? ***

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- ☐ Increased economic mobility
- ☐ More opportunities for the lower class
- ☐ Social unrest and distrust in institutions
- ☐ Greater financial stability for the majority

10. **Why did the Cypherpunks seek a decentralized digital currency? ***

Mark only one oval.

- ☐ To separate money from state control and ensure financial freedom
- ☐ To allow governments more control over the economy
- ☐ To create a new centralized banking system
- ☐ To increase government surveillance over financial transactions

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