

THE CORE - BITCOIN DIPLOMA ASSIGNMENT 1 JAN - MARCH 2025 (COHORT 6)

* Indicates required question

1. What is the primary role of money in an economy? *

Mark only one oval.

- ☐ To provide goods and services
- ☐ To facilitate trade
- ☐ To create wealth
- ☐ To control governments

2. Which of these is a key characteristic of money? *

Mark only one oval.

- ☐ Portability
- ☐ Weight
- ☐ Color
- ☐ Fragility

3. **Why is divisibility an important property of money? ***

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- ☐ It allows people to make transactions of various amounts
- ☐ It ensures durability over time
- ☐ It increases portability
- ☐ It helps money resist inflation

4. **What does the term "medium of exchange" imply about money? ***

Mark only one oval.

- ☐ Money creates value
- ☐ Money always appreciates in value
- ☐ Money allows people to exchange goods easily
- ☐ Money can only be used locally

5. **Why is "uniformity" important in money? ***

Mark only one oval.

- ☐ To make it easily destroyed
- ☐ To reduce its portability
- ☐ To increase its scarcity
- ☐ To ensure equal worth between units

6. **What was a major drawback of the barter system? ***

Mark only one oval.

- ☐ It was the most efficient system
- ☐ It required a double coincidence of wants
- ☐ It encouraged international trade
- ☐ It was faster than modern banking

7. **What material were the first Lydian coins made from? ***

Mark only one oval.

- ☐ Electrum (gold/silver alloy)
- ☐ Copper
- ☐ Bronze
- ☐ Iron

8. **Why was commodity money more efficient than bartering? ***

Mark only one oval.

- ☐ It was easier to carry
- ☐ It eliminated all trade problems
- ☐ It had intrinsic value and was widely accepted

9. **What event led to the establishment of the Bretton Woods system? ***

Mark only one oval.

- ☐ The fall of Rome
- ☐ The Industrial Revolution
- ☐ World War II
- ☐ The creation of Bitcoin

10. **What is fiat money? ***

Mark only one oval.

- ☐ Money backed by gold
- ☐ Cryptocurrency
- ☐ Bartered goods
- ☐ Money not backed by a physical commodity

11. **What is one problem associated with fiat money? ***

Mark only one oval.

- ☐ It is subject to inflation and government manipulation
- ☐ It is too heavy to carry
- ☐ It cannot be used internationally
- ☐ It is harder to spend than barter items

12. **What is the main reason central banks were created? ***

Mark only one oval.

- ☐ To eliminate inflation
- ☐ To encourage barter systems
- ☐ To control and regulate the money supply
- ☐ To ban the use of gold

13. **When was Bitcoin introduced? ***

Mark only one oval.

- ☐ 1959
- ☐ 1980
- ☐ 2020
- ☐ 2009

14. **What is a major advantage of digital currencies? ***

Mark only one oval.

- ☐ They enable fast and borderless transactions
- ☐ They are only used by governments
- ☐ They eliminate inflation
- ☐ They are made of metal

15. **Why did people start using paper receipts as money? ***

Mark only one oval.

- ☐ They were more valuable than gold
- ☐ They were impossible to counterfeit
- ☐ They were the only form of money allowed by law
- ☐ They were more portable and convenient than metal coins

16. **What happened when banks issued more paper receipts than they had gold? ***

Mark only one oval.

- ☐ It created a perfect financial system
- ☐ It led to inflation and economic instability
- ☐ People stopped using money
- ☐ Gold lost its value

17. **What problem did paper money solve compared to metal coins? ***

Mark only one oval.

- ☐ It was easier to carry and store
- ☐ It was harder to trade
- ☐ It was less accepted
- ☐ It was always backed by gold

18. **What was the purpose of the Federal Reserve when it was created in 1913?** *

Mark only one oval.

- ☐ To control inflation
- ☐ To promote gold-backed currency
- ☐ To legalize the lending of money that banks didn't have
- ☐ To manage stock market investments

19. **What did Executive Order 6102 require American citizens to do?** *

Mark only one oval.

- ☐ Trade gold for silver
- ☐ Turn in their gold to the government
- ☐ To legalize the lending of money that banks didn't have
- ☐ Exchange their gold for Bitcoin

20. **What agreement made the US dollar the world's dominant reserve currency?** *

Mark only one oval.

- ☐ The Nixon Agreement
- ☐ The Federal Reserve Act
- ☐ The Roosevelt Act
- ☐ The Bretton Woods Agreement

21. **What event officially ended the gold standard and created the fiat system?** *

Mark only one oval.

- ☐ The Nixon Shock of 1971
- ☐ The Great Depression
- ☐ The 2008 Financial Crisis
- ☐ The Federal Reserve Act of 1913

22. **What is the primary characteristic of fiat money?** *

Mark only one oval.

- ☐ It is backed by gold reserves
- ☐ It is a decentralized currency
- ☐ It has value because it is mandated by law
- ☐ It is immune to inflation

23. **What is a major downside of fiat money?** *

Mark only one oval.

- ☐ It is prone to inflation and value manipulation
- ☐ It is difficult to use
- ☐ It is not widely accepted
- ☐ It is backed by tangible assets

24. **What role do central banks play in the fiat system? ***

Mark only one oval.

- ☐ They regulate gold markets
- ☐ They ensure all currency is backed by a commodity
- ☐ They issue and control fiat currency
- ☐ They provide free loans to citizens

25. **What does "fiat" mean in Latin? ***

Mark only one oval.

- ☐ Paper
- ☐ Value
- ☐ Trust
- ☐ By decree

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