

# THE CORE BITCOIN DIPLOMA ASSIGNMENT 1

Hello, The Core Members,

We have prepared Assignment One, which will include questions from chapters one, two, and three. We urge everyone who has enrolled to take the quizzes, as they will be recorded as part of the assessment. We also encourage you to check the slides posted in our Google Classroom.

If you are not part of any of our community groups, please use this link to join:

<https://linktr.ee/thecore21m>

Regards,  
Felix Mukungu  
Founder, The Core  
Email: [felixongoma43@gmail.com](mailto:felixongoma43@gmail.com)  
Phone: +254 743 228 280

---

\* Indicates required question

1. Email \*

---

2. First Name \*

---

3. Second Name \*

---

4. 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: \_\_\_\_\_

5. 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

6. 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

7. 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

8. 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

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

*Mark only one oval.*

- ☐ Divisibility
- ☐ Portability
- ☐ Durability

10. 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

11. 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

12. 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

13. 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

14. 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

15. 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

16. 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

17. 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

18. 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

19. 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

20. 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

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

1 point

*Mark only one oval.*

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

22. 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

23. 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

---

This content is neither created nor endorsed by Google.

Google Forms



