

THE CORE - BITCOIN DIPLOMA ASSIGNMENT ONE APRIL - JUNE 2024

* Indicates required question

1. Email *

2. Which characteristic of money makes it universally accepted for trade? *

Mark only one oval.

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

3. What is the function of money that allows it to be used to save and invest for the future? *

Mark only one oval.

- ☐ Medium of exchange
- ☐ Store of value
- ☐ Unit of account
- ☐ Standard of deferred payment

4. **Which function of money allows for the efficient and transparent comparison of prices?** *

Mark only one oval.

- ☐ Unit of account
- ☐ Store of value
- ☐ Medium of exchange
- ☐ Acceptability

5. **Which characteristic of money refers to its ability to withstand physical wear and tear?** *

Mark only one oval.

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

6. **Why is money considered a social contract?** *

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- ☐ It is made of durable materials
- ☐ It can be easily divided
- ☐ It allows people to trade without bartering
- ☐ It is controlled by the government

7. **Which type of money has intrinsic value and is widely accepted? ***

Mark only one oval.

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

8. **What term describes the next best alternative forgone when making a decision? ***

Mark only one oval.

- ☐ Time preference
- ☐ Scarcity
- ☐ Acceptability
- ☐ Opportunity cost

9. **In the 19th century, civilizations worldwide thrived on a sound money standard using ***

Mark only one oval.

- ☐ Precious metals like gold and silver
- ☐ Paper money
- ☐ Electronic money
- ☐ Barter system

10. **What was a significant challenge in carrying large amounts of metal as global trade grew?** *

Mark only one oval.

- ☐ Lack of security
- ☐ High transaction fees
- ☐ Lack of recognition
- ☐ Difficulty in transportation

11. **What did gold and silver warehouses provide in exchange for storing precious metals?** *

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- ☐ Electronic money
- ☐ Paper certificates
- ☐ Barter goods
- ☐ Credit cards

12. **What was established by the Bretton Woods Agreement in 1944?** *

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- ☐ USD as the world's reserve currency
- ☐ The Federal Reserve
- ☐ The Gold Reserve Act
- ☐ Executive Order 6102

13. **What is a key characteristic of fiat money compared to commodity money?** *

Mark only one oval.

- ☐ Lack of tangible asset backing
- ☐ Higher security requirements
- ☐ Limited government control
- ☐ Immediate redeemability for gold

14. **What significant risk does fiat money pose?** *

Mark only one oval.

- ☐ Deflation
- ☐ Inflation
- ☐ Stability
- ☐ Immediate value loss

15. **What role does the central bank play in the fiat system?** *

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- ☐ Tax collector
- ☐ Lender of last resort
- ☐ Government watchdog
- ☐ Currency redeemer

16. **Who benefits greatly from the fiat system according to the text? ***

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- ☐ Lower and middle classes
- ☐ Small businesses
- ☐ Wealthy individuals and banks
- ☐ Farmers

17. **What does the concept of scarcity force us to do according to the text? ***

Mark only one oval.

- ☐ Spend more money
- ☐ Save resources
- ☐ Increase production
- ☐ Make choices and trade-offs.

18. **According to the text, what does time preference refer to? ***

Mark only one oval.

- ☐ Preference for immediate gains over future benefits
- ☐ The importance of saving money
- ☐ Choosing between different types of currency
- ☐ Allocating resources efficiently

19. **Money allows us to avoid bartering by providing a ***

Mark only one oval.

- ☐ Physical object
- ☐ Medium of exchange
- ☐ Financial contract
- ☐ Market system

20. **Why is gold considered a good representation of the durability characteristic of money? ***

Mark only one oval.

- ☐ It can withstand wear and tear
- ☐ It is easily transportable
- ☐ It is divisible
- ☐ Option 4

21. **What gives money its value according to the text? ***

Mark only one oval.

- ☐ Government regulation
- ☐ Physical characteristics
- ☐ Belief in its value
- ☐ Its age

22. **What happened to the value of gold after most of the people's gold was retained by governments and central banks?** *

Mark only one oval.

- ☐ It decreased significantly
- ☐ It remained stable
- ☐ It surged, reaching \$870 per ounce in 1980
- ☐ It fluctuated without a clear trend

23. **What does the term "legal tender law" refer to** *

Mark only one oval.

- ☐ A law that requires citizens to use a specific type of currency
- ☐ A law that allows free currency exchange
- ☐ law that bans the use of fiat money
- ☐ A law that limits the supply of currency

24. **What is money primarily used for?** *

Mark only one oval.

- ☐ To exchange goods and services
- ☐ To store physical commodities
- ☐ To create digital payments
- ☐ For decoration

25. **What characteristic of money refers to its limited supply to maintain value?** *

Mark only one oval.

- ☐ Durability
- ☐ Divisibility
- ☐ Scarcity
- ☐ Acceptability

26. **What is an example of representative money?** *

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- ☐ Gold coins
- ☐ Silver certificates
- ☐ Federal Reserve notes
- ☐ Bitcoin

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