FINANCIAL LITERACY . . . “The Money Trail”

☑ CHECKPOINT ... #1

Parts 1, 2 & 3: ASSESSMENTS & VOCABULARY

Bartering
The History of Money
Understanding Money

Education Get Real!!!
Part #1: Bartering – Assessment

Name __________________________________________ Class Period ________________________

True/False. Circle the correct answer.

True   False   1. People in ancient times did not use money to obtain the goods or services they needed.

True   False   2. Adam Smith is known as the “father of modern bartering.”

True   False   3. Because of the difficulty to establish a value of a bartered transaction, the IRS does not tax a bartered exchange.

True   False   4. The Native Americans were reluctant to trade their furs with early explorers and settlers because they could not trust them to be fair.

True   False   5. Colonists used bartering as a way to pay their debts.

Fill in the Blanks.

6. In recent years, more than _____________ businesses in the United States have been involved in barter exchanges each year.

7. A famous bartering transaction occurred in the early 1600’s between the Dutch Settlers and the Native Americans. For $_____ worth of goods, the Native Americans traded land that is now called ________________________ in New York.

8. Bartering does not use _______________ to exchange for goods or services.

9. George Washington used bartering in order to obtain supplies for the ________________________ Army.

10. The dollar value of a bartered item is determined by its current _______________ value.
Part #2: The History of Money - Assessment

Name __________________________________________ Class Period ______________________

True/False. Circle the correct answer.

True   False   1. The practice of bartering dates back thousands of years.
True   False   2. The United States Mint is responsible for printing Federal Reserve Notes.
True   False   3. The oldest form of money was cattle.
True   False   4. The United States Secret Service was established in 1865, and its initial responsibility was to investigate counterfeiting of U.S. Currency.
True   False   5. Greenbacks were issued during the American Revolution.
True   False   6. The Federal Reserve System was established by Congress to oversee the nation’s banking system.
True   False   7. The earliest form of metal money was made from gold.

Answer the Following.

8. Give the two agencies that Congress authorized to manufacture currency and identify what each agency produces:
   a. __________________________________  _________________________
   b. __________________________________  _________________________

9. What two cities currently mint coins in America? __________________ and __________________

10. Since 2003, the Secret Service has made nearly 29,000 criminal arrests for __________________.
Part #3: Understanding Money - Assessment

Name ________________________________  Class Period _______________________

True/False. Circle the correct answer.

True   False   1. Accidental damage to currency normally is not illegal, but deliberate defacement is illegal.

True   False   2. There are 24 regional Federal Reserve Banks located in major cities throughout the U.S.

True   False   3. The Federal Reserve Notes have important features, and all of the features can be found on each note, but the location varies on each denomination.

True   False   4. Reproducing U.S. currency is okay if you follow the established guidelines by the Secret Service.

True   False   5. Each Federal Reserve Note carries a unique serial number except the $1 note.

Fill in the Blanks. Use these terms to complete each sentence: Alexander Hamilton, the Fed, Watermark, $100, Federal Reserve Seal, microprinting, Benjamin Franklin, security thread, $1, Thomas Jefferson Federal Reserve Bank, $5, bank, USA 100.

6. U.S. currency is strong and durable, but it will wear out, the note that is replaced more often is the _______ note.

7. Mutilated, worn out, or damaged notes should be taken to a ________________.

8. The portraits on the $1, $2, $5, $10, $20, $50, $100 notes are all former presidents except for __________________________located on the _________ bill.

9. __________________________run the width of the currency, on the $100 bill _________________ repeats over and over.

10. The Federal Reserve System is often called _________________.

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Parts 1-3: Assessment Answer Key

Part 1: Bartering Answer Key:
1. True
2. False, father of modern economics
3. False, the IRS does tax barter transactions
4. False, the Native Americans were very willing to trade, particularly furs
5. True
6. 450,000
7. $24 and Manhattan Island
8. Money
9. Continental
10. Market

Part 2: The History of Money Answer Key
1. True
2. False, responsible for producing coins
3. True
4. True
5. False, they were issued during the Civil War
6. True
7. False, bronze and copper not gold yet
8. a. The U.S. Mint – coins
   b. The Bureau of Engraving and Printing – paper money
9. Denver and Philadelphia
10. Counterfeiting

Part 3: Understanding Money Answer Key
1. True
2. False, no there are 12 regional banks and 24 branches
3. False, most features not all features
4. True
5. False, all notes have unique serial numbers
6. $1
7. Bank
8. Benjamin Franklin, $100
9. Security Thread, USA 100
10. The Fed

Unit Test Suggestion: If you prefer to use these assessments as a unit test, you can merge them together. Also, I would suggest using the chart on page 25 “Important Features of U.S. Currency” in Part #3, Understanding Money and select a currency image(see website below) as a sample note for students to identify the 15 features they find on the note.

Website example: https://www.google.com/search?q=us+currency+bills
Parts 1-3: Vocabulary

**Barter** – is a system of exchange when goods and/or services are directly exchanged for other goods and/or services without using money.

**Goods and Services** – are the most basic products of the economics system that consist of tangible and intangible consumable items satisfy the needs and wants of a consumer.

**Goods** – are things that you can touch such as clothing, food, tools, and furniture.

**Services** – are things that someone does for you but you cannot touch such as a haircut, internet & phone lines, and electric power.

**Medium of Exchange** – money/currency is the most common and accepted medium of exchange and its essential function is its measure/standard of value. The first and oldest form of money was cattle (*cows, camels, sheep, and other livestock*).

**The Department of the Treasury** – is responsible for overseeing the production of coins and currency notes for the United States.

**The United States Mint** – it is the federal agency responsible for the production and distribution of coins. Coins are minted in denominations of a penny, nickel, dime, quarter, half-dollar, and dollar. Coins are minted in Denver and Philadelphia.

**Mintmark** – Coins are marked below the date with a “D” for Denver or “P” for Philadelphia, however, not all coins minted in Philadelphia have the “P” mintmark.

**The Bureau of Engraving and Printing** – designs, engraves, and prints the official paper money (Federal Reserve Notes) of the United States.

**Federal Reserve Notes** – are issued in the amounts of $1, $2, $5, $10, $20, $50, and $100, these notes are the legal tender of the United States of America.

**The Federal Reserve** – called the Fed. Manages the nation’s monetary policy and oversees the nation’s banking system. The Fed consists of 12 regional banks and controls the amount of money in circulation at any given time.

**The U.S. Secret Service** – protects and guards the President of the United States. Also its responsibility includes financial crimes, prevention and investigation of counterfeiting, and major fraud.

**Counterfeiting** – is the process of fraudulently manufacturing, altering, or distributing a product (currency, coins, goods). It is a criminal offense when it involves the intent to defraud in passing off the item to others.

**Seal of the Federal Reserve System** – a universal seal which is located on each Federal Reserved Note beginning with the 1996 series represents the entire Federal Reserve System. A letter and number below the serial number (upper left) identifies the issuing Federal Reserve Bank.

**Currency in Circulation** – is the money that is used to buy goods and services. It is part of the overall money supply, with a larger portion of the overall supply being stored in checking and savings accounts.