B.Com. III, Paper -3 Unit-1 Money and Financial System <u>Topic-Money , its Origin and</u> <u>Functions</u>

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# **Money Definition**

There are various definitions of Money given by various by authors and economists.

- 1. Prof. A. Walker says "Money is that money does".
- 2. Prof. Crowther's says "anything that is generally acceptable as a means of exchange (as a means of setting debts) and at the same lime, acts as a measure and a store of value."

3. "Anything which is defined by the state as money is money"

## So from the conclusion of above definitions, We can say <u>that</u>

## "MONEY IS ANYTHING THAT IS REGULARLY USED IN ECONOMIC TRANSACTIONS AND SERVES AS A MEDIUM OF EXCHANGE, A UNIT OF ACCOUNT AND A STORE OF VALUE."

## **Origin of Money**

The first known **currency** was created by King Alyattes in Lydia, now part of Turkey, in 600BC. The first coin ever minted features a roaring lion.

The most common theory of the origins of money is the one found in <u>"The Wealth of Nations" (1776) by Adam</u> <u>Smith (Father of Economics).</u>

## **Money in India**

The **currency** of **India** is the "Rupee (₹)" which is derived from the Sanskrit word "Rupya" meaning a coin of silver.

**Ancient India** was one of the earliest issuers of coins in the world. **Currency** in **India**, traces back to the 7<sup>th</sup> century BC, where gold, silver, copper and bronze coins without any denominations were used.









## **5 Different Stages of its Development**

- 1. Commodity Currency
- 2. Metal Currency
- 3. Paper Currency
- 4. Plastic Currency
- 5. Electronic Currency



#### Tiberius (14-37AD)





Genuine AU Aureus (7.82 grams)

India Imitation (6.69 grams)







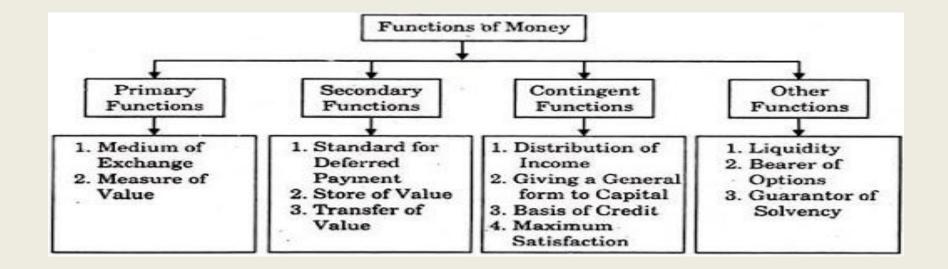
## **FUNCTIONS OF MONEY**

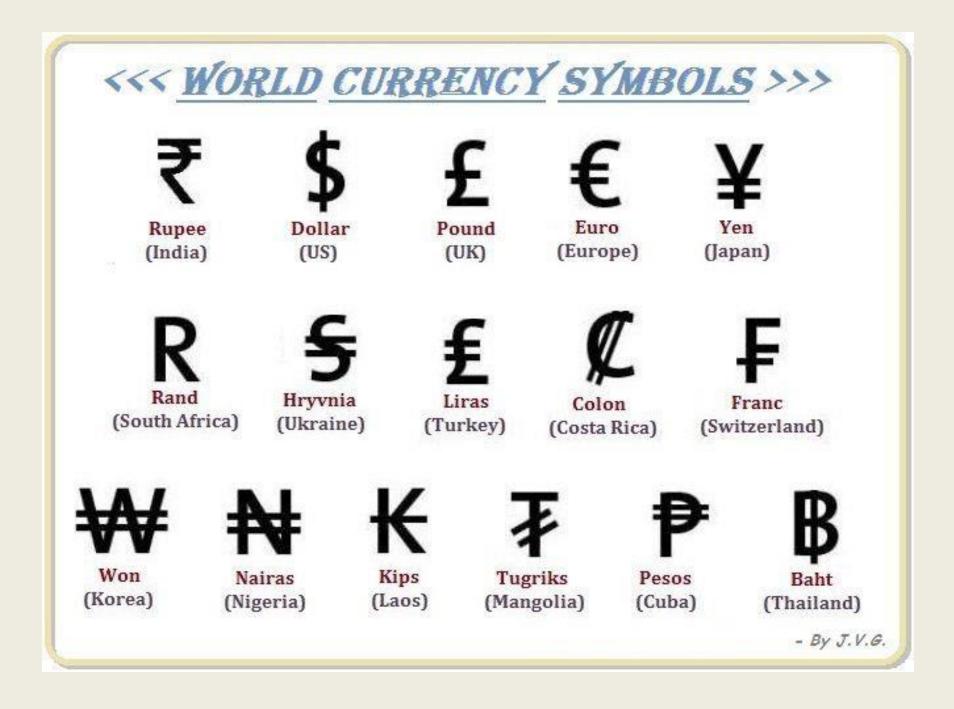
**1. PRIMARY FUNCTIONS OF MONEY** 

### 2. SECONDARY FUNCTIONS OF MONEY

## **3. CONTINGENT FUNCTIONS OF MONEY**

## 4. OTHER FUNCTIONS OF MONEY





# **Thanks You**