

Teaching notes

The last of three one-hour lessons for Year 7 students. The topic of this lesson is the origins of money. Lessons 1 and 2 can be found by going to www.teachitcitizenship.co.uk and searching for 23292 and 23909.

Learning objective: to examine the origins of money.

Resources:

- 'I have ... I need ...' cards from lesson 1
- around 300 small objects for use as currency (e.g. counters, beans)
- history of money text (pp.3–4) – one per student or a section of it per pair
- history of money questions (p.4)
- timeline cards (p.5) – one set per team
- sticky tack.

Starter – from barter to money

1. Give each student a card from lesson 1 so they know which goods they need. This time they won't be using the 'I have ...' cards.
2. Show the class a handful of your chosen currency and say you have some wonderful new things to exchange: shells (or stones etc.).
3. Buy some of the goods from students, e.g. give 3 shells for a loaf of bread, 5 shells for a bucket etc.
4. At this stage don't tell them that they can use this new currency to buy anything they like. Make it clear that you're really happy that you now have what you need, i.e. the bread, a bucket etc.
5. Ask the students you traded with if they are happy and if they have what they need. Someone might say that the stones/shells are useless and not what they need.
6. Reveal to the students that you have developed a new concept that will revolutionise the village exchange and barter system and will mean that you can now make your exchange in one quick step.
7. Check around the class to decide whether they like the new system. It's fine if some don't and complain that shells are useless. This raises the teaching point that a currency needs everyone to have confidence in it and to agree to use it otherwise it could become valueless.
8. Explain that they can get some of the new 'currency' by selling their goods to you. To speed things up, give each student an equal number of shells and explain that this is payment for hard work during last week's lesson.
9. Ask one person to come to the front and ask who has got the thing they want. Ask the two students to now engage in a discussion about how many shells the seller wants and how many the buyer wants to offer.

10. Continue around the class. Discuss any outlandishly inflated prices or under-valued offers that crop up as the class buy goods from one another one by one. Alternatively, to illustrate the point, make inflated offers to some students and undervalued offers to others e.g. 10 shells for an aubergine and 1 shell for a sheep.

Main activity – text about the history of money

You might like to display the timeline from the plenary before the students read the text. You may also want to check that students understand how to count years BC and AD by asking them questions such as:

- *Which is earlier, 500 AD or 600 BC?*
- *How many years are there between 1800 BC and 200 AD?*

Hand out the text on the history of money. Ask students to read through and answer the questions which follow.

Differentiation

- With less confident readers, you might like to split the text into three, pair students up to read each part and answer any relevant questions, and then ask them to regroup and share their findings.
- With more able students, you might want to ask them to conduct some research on question 9.

Assessment

Formal marking of the comprehension activity.

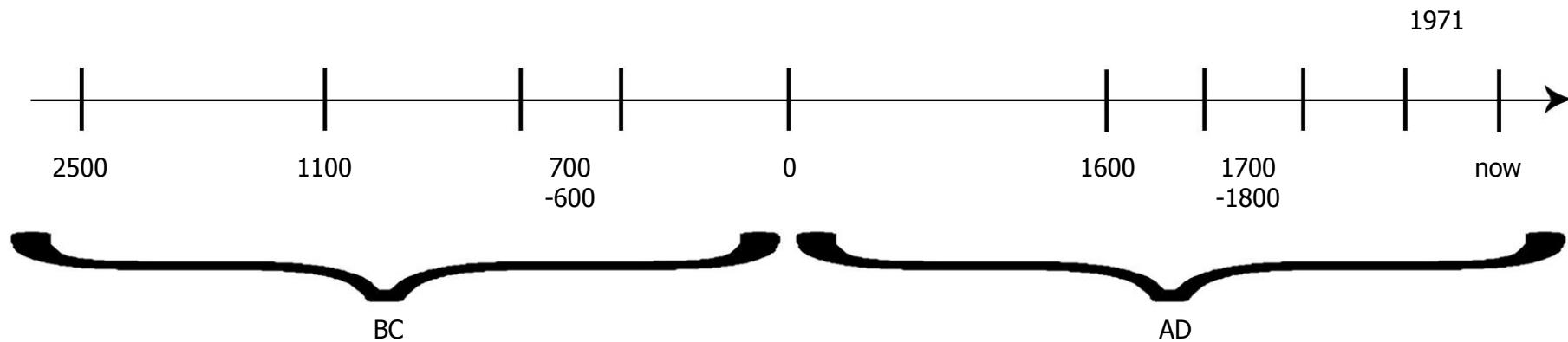
The history of money – answers

1. Lydia (now Western Turkey).
2. Around 700 to 600 BC in China.
3. Around 2,400 years (700 BC to 1685 AD).
4. Because it is lighter to carry.
5. Very rich, like the king who made the first known gold coin. (Pronunciation of 'Croesus' = kreesuss.)
6. Gold and silver (and electrum – a mixture of gold and silver).
7. Eight. (Pronunciation of 'real' = Ray Al.)
8. Debit cards and credit cards.
9. At the time of writing, a list of world currencies can be found here: <https://www.countries-ofthe-world.com/world-currencies.html>.
10. Return to an exchange and barter system.

Plenary

Draw the following timeline on the board:

Put students into teams and give each team a set of the timeline cards and some sticky tack. Teams race to stick the cards onto the relevant part of the timeline.



The history of money

Historians find it hard to pinpoint the exact moment that the concept of money was invented. It is believed that from very early times barter and exchange were the main way of trading goods and services. Objects such as animal skins, weapons and food items are likely to have been exchanged for other goods.

4,000 to 2,600 years ago

Around 2500 BC Ancient Egyptians were making metal rings which some historians think they used as money.

By 1100 BC in China, rather than exchanging objects like tools and weapons, a system of using miniature replicas of the objects to be traded were used instead of the objects themselves.

It seems that over time these may have transformed into easier to handle discs of metal because in Lydia (now Western Turkey) between 700 and 600BC the first coins, as we would recognise them, were made. They were made of discs of electrum (a natural mix of silver and gold) and stamped with pictures to show their value, for example one had an owl and another snake. The first known gold coin was minted by the Lydian king Croesus.

Around the same time in China the first paper money was being used.

It is believed that over the centuries many things have been used as money, such as seashells, beads, tea, fish hooks, animal furs, livestock and tobacco.

400 to 200 years ago

By 1600 AD Europeans were using more and more metal coins, made with metal taken from their colonies overseas. In these early days of money, the use of precious metals in coins meant that the money could be traded because it held a value. In the past our own currency, the pound sterling, would allow anyone with a pound note to exchange it for a pound in weight of sterling silver. Now coins and notes are only a symbolic representation of these precious metals and can no longer be exchanged for them.

In 1685 Canadian colonies began to use paper money too and this innovation led to a huge increase in international trade.

If in the 1700s a pirate walked into your shop he might try to pay in pieces of eight. A Spanish eight real coin was often split up into bits to pay for things, leaving the bits as change. 'Bit' was an English term for a small coin and was still used until very recently. For example, the threepenny was only scrapped in 1971. In the English colonies of the West Indies half a real was four bits and a quarter was two bits, a phrase used by people in the USA today.

Money today

Because physical money is no longer directly linked to valuable items i.e. precious metals, and because notes can no longer be exchanged for these precious metals, economies rely on people having confidence in the value of money. When I give you a pound for a box of tea bags, you have confidence that the pound will buy the same amount of goods tomorrow as it does today.

In the modern world many people use plastic cards called debit cards to pay for things. The cards transfer money from their bank account to the shop's bank account.

People also use money they don't even have yet by paying with credit cards. They then pay the money back later.

People, and their confidence in the value assigned to money, are what determine whether the value of money goes up or down or stays steady. Economic booms and crises happen when confidence in money increases or decreases.

The history of money – questions

1. Where were the first coins made?
2. When was paper money first used?
3. Roughly how many years went by from the creation of the first Lydian coins to the first paper money being produced in Canada?
4. Why do you think paper money was used instead of the equivalent value of coins?
5. The phrase 'as rich as Croesus' is a phrase commonly used today. What does it mean?
6. Name two precious metals that were important for the development of money.
7. How many bits could a Spanish real be cut into?
8. People often pay for goods with something other than coins or paper money. What do they use?
9. Countries around the world use different forms of money (different **currencies**). In this country we use pounds and pence. Make a list of any currencies from around the world that you know.
10. If the money in our pockets became worthless tomorrow, what could we do?

Timeline cards

Ancient Egypt	Lydia (now Western Turkey)	the first paper money	end of the threepenny bit in the UK
China	Spain	coins of metal from their colonies	debit cards
China	metal rings	paper money	credit cards
Canadian colonies	small models of everyday objects	pieces of eight	electrum (a mix of gold and silver)
Europe	the first coins	bits	King Croesus

