

Chapter 5: Money

Question 1

Define barter exchanger.

Ans: Barter exchange refers to the exchange of goods for goods

Question 2

What is meant by double coincidence of wants?

Ans: Double coincidence of wants refers to simultaneous fulfillment of the mutual wants of buyers and sellers.

Question 3

What is the basic characteristic of money?

Ans: General acceptability.

Question 4

Define money supply.

Ans: Money supply refers to the total volume of money held by the public at a particular point of time in an economy.

Question 5

What is a demand deposit?

Ans: Demand deposits are the deposits, which can be encashed by issuing cheques.

Question 6

What is bank money?

Ans: Bank money refers to demand deposits created by the commercial bank.