



Chapter 11: From Barter to Money

Questions and Activities

Que 1. How does the barter system take place and what kinds of commodities were used for exchange under the system?

Answer:

- In the barter system, goods were exchanged directly for commodities.
- It did not use currency.
- People used to get another thing in exchange for what they needed.

Items to be used:

- | | | |
|----------|---------|-----------|
| • grain | • salt | • Metals |
| • animal | • cloth | • cowries |

Que 2. What were the limitations of the barter system?

Answer:

- It was necessary to meet the needs of both sides.
- It was difficult to determine the value of the items.
- It was difficult to carry large objects.
- It was not possible to preserve the items for a long time.
- Business used to take more time and labor.

Que 3. What were the salient features of ancient Indian coins?

Answer:

- Coins were mainly made of silver, copper and gold.
- Various signs and symbols were inscribed on them.
- Punch-marked coins were in circulation.
- The coins were used in trade and tax payments.
- They served as a standard of value.

Que 4. How has money as a medium of exchange transformed over time?

Answer:

- Initially, the barter system was prevalent.
- Later cowries, metals and coins began to be used.
- After this, the circulation of paper currency increased.
- At present, digital payments, ATM cards and UPI are being used.
- The currency thus became more convenient and modern over time.

Que 5. What steps might have been taken in ancient times so that Indian coins could become the medium of exchange across countries?

Answer:

- The purity and quality of the coins will be maintained.
- Their weight and value will be fixed.
- Trade routes would have been developed.
- Foreign trade would have been encouraged.
- The seal and emblems of the rulers would have increased the credibility of the coins.

Que 6. Read the following lines from the Arthaśhāstra.

“An annual salary of 60 paṇas could be substituted by an āḍhaka of grain per day, enough for four meals...” (One āḍhaka is equal to about 3 kg) What does this indicate about the value of one paṇa? The fine for failing to help a neighbour was 100 paṇas. Compare this with the annual salary. What conclusion can you draw about the human values being encouraged through this?

Answer:

- 60 paṇa was a year's salary, so the value of one paṇa was quite significant.
- The penalty of 100 paṇas was more than the annual salary.
- This shows that not assisting a neighbour was considered a serious crime.
- Cooperation, compassion and social responsibility were valued in society.
- People were encouraged to help each other.

Que 7. Write and enact a skit to show how people may have persuaded each other to use cowrie shells (or other such items) as the medium of exchange.

Answer:

Characters:

- Trader 1
- Trader 2
- ploughman
- Village head

Dialogue:

Farmer: I want cloth instead of grain, but it's hard to change the item every time.

Trader 1: Why don't we use cowries?

Trader 2: Trading will be easier if all the cowries are valued.

Chief: That's a good idea. From today, cowries will be a medium of exchange.

Farmer: Now we will not have the hassle of direct exchange of goods.

Everyone: Agree!

Que 8. The RBI is the only legal source that prints and distributes paper currency in India. To prevent illegal printing of notes and their misuse, the RBI has introduced many security features. Find out what some of these measures are and discuss them in class.

Answer:

- Watermark (Watermark)
- Security Thread
- Portrait of Mahatma Gandhi
- Color-changing ink
- उभरी हुई छपाई (Raised Printing)
- See-Through Register
- Micro Lettering

These security measures make it easier to identify counterfeit notes.

Que 9. Interview a few of your family members and local shopkeepers, and ask them their preferences in making and receiving payments—do they prefer cash or UPI? Why?

Answer :

person	likable	Causes
Dad	UPI	Fast and convenient
Mother	Cash	There is a clear accounting of expenses
Shopkeeper 1	UPI	Receive instant payment
Shopkeeper 2	Cash	I don't depend on the internet.
pupil	UPI	Easy payment from mobile

Conclusion:

- Nowadays, most people prefer UPI because of the convenience and speed.
- Yet some people prefer cash payments due to simplicity and reliability.



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