

economic unit that serves as a medium of exchange in an economy, allowing for transactions to occur smoothly. Each government typically has its own monetary system.



Functions Of Money



Money facilitates transactions between buyers and sellers by acting as an intermediary.





Unit Of Account

It provides a common measure for valuing goods and services.

Standard Of **Deferred Payment**

Store Of Value

Money allows individuals to save wealth for future use, provided its value remains relatively stable. Inflation can erode this value over

Money can be used for future payments, making it a viable option for credit and deferred transactions.

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Advantages Of Money



As legal tender, money is universally accepted at any time, unlike barter systems that require a double coincidence of wants.

Money is easy to transport, unlike bulky goods used in barter systems.

Money is uniform in size, shape, and value, unlike varied goods in a barter system.



Stability

Fungibility

Uniformity



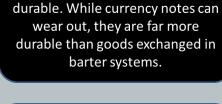












Unlike perishable items, money is

Money is the most liquid asset, easily exchanged for goods,

services, or other assets. In contrast, assets like real estate, gold, or bonds are not as readily convertible.

Compared to volatile assets like cryptocurrencies, money is relatively stable.

Money is easily interchangeable; for instance, a 20-rupee note can be exchanged for two 10-rupee notes. This isn't possible with barter items like livestock.

Money's presence and regulation by central banks are essential indicators of a country's economic health.















