## Modern Money

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Money 101 | finance-lectures.com

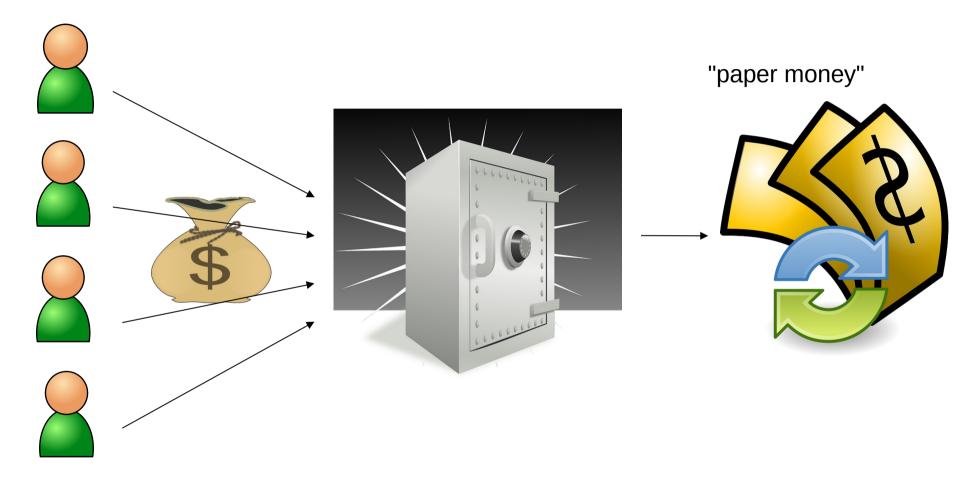
## Learning objectives

- Summarize nature of modern fiat money
- Describe the rise of banks as financial intermediaries
- Explain the efficiency gains from bank services

## **Representative money**



## **Rise of intermediaries**



## Paper money

Banknote from Sweden, issued in 1666

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## U.S. paper money



# Quiz 1

Since paper money isn't redeemable directly from the issuer for anything, why do you still accept paper dollars in exchange for valuable goods and services?





## Fiat money







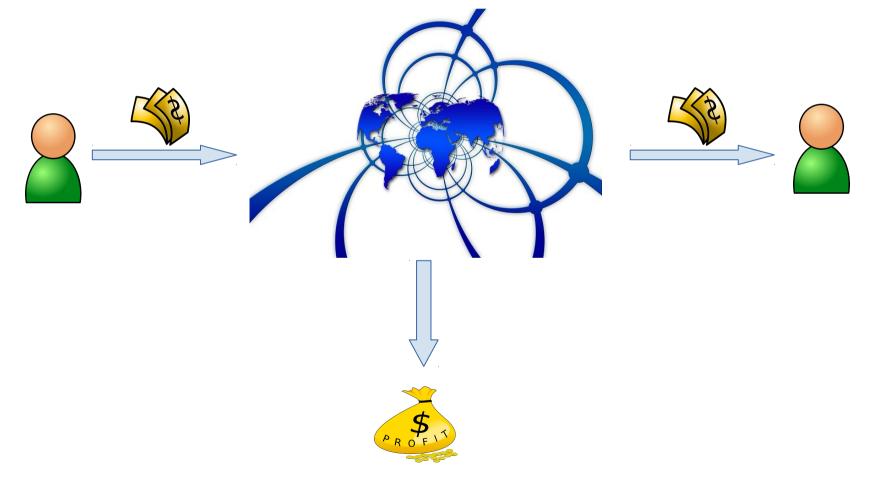






## Banks

#### **Financial intermediaries**



# Additional reading

The Ascent of Money: A Financial History of the World

by Niall Ferguson

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