

Unit - 1

Money, Savings and Investments



"Learning gives creativity, creativity leads to thinking, thinking provides knowledge, knowledge makes you great".

–A.P.J. Abdul Kalam



Learning Objectives

- ▶ To know about the Evolution of Money
- ▶ To know about the value, nature, function, and importance of money
- ▶ To understand about Savings and Investments
- ▶ To know about the black money



Introduction

Money is a fascinating subject and full of curiosities. It is important to capture this element for the students. The history of money and how various forms were used at different times is an interesting story. Modern forms of money are linked to the banking system.

Money is a fundamental discovery, which has eased the day to day transactions, valuing goods and services and has allowed us to store the wealth and trade in future. "Money is anything which is widely accepted in payment for goods or in discharge of other business obligations" Robertson.

Evolution of Money

The word Money is derived from Roman word "Moneta Juno". It is the roman goddesses and the republic money of roman empire. The Indian rupee is derived from Sanskrit word 'Rupya' which means silver coin. Today we use paper notes, coins as money. But the evolution of this stage has not happened overnight. It took thousands of years to reach such a stage. There are many stages of evolution of money. The earliest and primitive stage is Barter system.

Barter system

Barter system is exchanging goods for goods without the use of money in the primitive stage. A barter system is an old method of exchange. This system has been used for centuries and long before money was invented. People exchanged services and