

# Unit 12 Academic reading

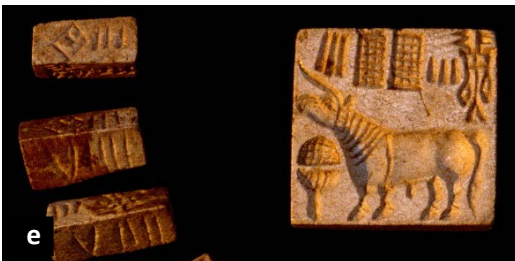
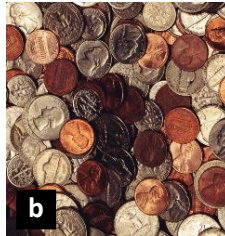
## The history of money

### 1 Work in groups. Discuss these questions.

- 1 How much cash do you carry with you most days? Why?
- 2 Which things do you usually buy with cash? With a credit card? With an online payment?
- 3 What do you think is the future of money? How will people pay for things 100 years from now?

### 2 Work in pairs. Match the words and phrases in the box with the photos (a–g). The words in the box are all mentioned in the article *The history of money*. In which order do you think they were used in history?

cowrie shells	credit card	gold	coins
paper currency	bitcoins	clay tokens	



### 3 Scan the article quickly and circle the items in Exercise 2.

### 4 Read the text again more carefully. Work in pairs. Discuss the order the items were first used and why.

#### SKILLS FOCUS: Following connections in a text

It is important to be able to follow the connections that writers make between ideas in a text. These connections might be made using:

- pronouns, e.g. *it, this, which*
- a determiner followed by a summarizing noun, e.g. *these ideas are ...*
- a paraphrase, e.g. *small pieces of baked clay* → *simple little ceramic shapes*.

Usually, the connection is being made to information earlier in the text, so you have to go back to find the information the pronoun, determiner or paraphrase links to.

**5 Find the pronoun or determiner references (1–14) in the article and write what they refer to.**

- 1 Those simple little ceramic shapes (line 5) \_\_\_\_\_
- 2 those modern modes of payment (line 8) \_\_\_\_\_
- 3 these reasons (line 23) \_\_\_\_\_
- 4 their (line 27) \_\_\_\_\_
- 5 in which (line 28) \_\_\_\_\_
- 6 it (line 29) \_\_\_\_\_
- 7 whose value (line 30) \_\_\_\_\_
- 8 them (line 31) \_\_\_\_\_
- 9 in which (line 32) \_\_\_\_\_
- 10 they (line 40) \_\_\_\_\_
- 11 That revelation (line 41) \_\_\_\_\_
- 12 It's a system (line 45) \_\_\_\_\_
- 13 which (line 49) \_\_\_\_\_
- 14 That's (line 57) \_\_\_\_\_

**6 Analysing examples. The author uses examples to show how methods of payment have developed over time. Match the methods of payment (1–8) with the writer's purpose for using it.**

- |                                  |                             |
|----------------------------------|-----------------------------|
| 1 today's \$100 bill (lines 5–6) | 5 receipts (line 36)        |
| 2 cowrie shells (line 15)        | 6 a US \$100 bill (line 44) |
| 3 gold (line 21)                 | 7 credit cards (line 49)    |
| 4 Lydian coins (line 25)         | 8 bitcoin (line 54)         |
- 
- a how the value of an object is decided
  - b how the original purpose of something changed
  - c how an object people admired became valuable
  - d how the object's many uses helped to make it valuable
  - e a change in people's preferred method of payment
  - f how the system of payment is just the start of a new trend
  - g similarities between two different systems of payment
  - h differences between an ancient and modern system of payment

**7 Work in groups. Look at the quote from the article and discuss the questions.**

*'the real future is technology as money. That's what bitcoin is about.'*

- 1 What do you think Parag Khanna means by this? Do you agree with this opinion?
- 2 In what ways could this make life easier?
- 3 What problems could it create?

## The history of money

About 9,500 years ago in the Mesopotamian region of Sumer (modern-day Iraq), ancient accountants kept track of farmers' crops and livestock by stacking small pieces of baked clay, almost like the tokens used in board games today. One piece might signify a farm animal, while another with a different shape might represent a jar of olive oil.

5 Those simple little ceramic shapes might not seem to have much in common with today's \$100 bill, whose high-tech anti-counterfeiting features include a special security thread designed to turn pink when illuminated by ultraviolet light, let alone with credit card swipes and online transactions. But the roots of those modern modes of payment may lie in the Sumerians' tokens. Such early accounting tools ultimately evolved into a system of  
10 finance and money itself—a symbolic representation of value, which can be transferred from one person to another as a payment for goods or services.

Since ancient times, humans have utilized all sorts of items to represent value, from large stones to cakes of salt and whale teeth. These were items that had some real value in their own right. Around 3,000 years ago, the ancient Chinese were among those who used  
15 cowrie shells, which were prized for their beauty as materials for jewellery, to make payments. Even today, many characters in Chinese writing that relate to money include the ancient symbol for the cowrie shell. They were used as money in other parts of the world as well. As Glyn Davies noted in his book *A history of money from ancient times to the present day*, cowries 'are durable, easily cleaned and counted, and defy imitation or  
20 counterfeiting.'

However, it was gold that gradually became a universal currency. The gleaming precious metal was stable, yet could also be combined at high temperatures with other metals, and was easy to melt and hammer into shapes. It was for these reasons that gold became the raw material for the first coins, which were created in the ancient kingdom of Lydia (in  
25 what is now Turkey) around 2,700 years ago. Lydian coins didn't look much like today's coinage. They were irregular in shape and size and didn't have denominations inscribed on them, but instead used a stamped image to indicate their weight and value.

The result, explains author Kabir Sehgal, was an economic system in which 'you knew the value of what you had, and what you could buy with it.' Unlike modern money, ancient  
30 coins were what economists call full-bodied or commodity money, whose value was fixed by the metal in them. The convenience of money made it easier for ancient merchants to develop large-scale trade networks, in which they bought and sold spices, grain and even slaves over distances of thousands of miles.

By the 1700s, the economy of the world had grown so much that it was inconvenient to  
35 transport, store and dispense large quantities of bulky coins, so societies shifted toward paper currency. The earliest paper bills were literally receipts that gave the person who they belonged to ownership of gold or silver coins that could be collected upon demand. But as Lloyd Thomas explains in his book *Money, banking and financial markets*, the bankers eventually realized that since few people actually redeemed their receipts on a  
40 given day or week, they didn't actually need to have enough gold on hand to cover all the

notes they issued. That revelation, Thomas says, eventually led to the concept of the money which governments issue today. It has value essentially because the government says that it does – and because they control the supply of money so that its purchasing power remains relatively stable. That’s why a US \$100 bill is worth \$100, even though it  
45 only contains a few cents worth of raw materials. It’s a system with a key advantage, in that human judgement – rather than how much gold has been dug out of the ground – determines the amount of money in circulation.

In the 20th century, new methods of payment began to emerge as alternatives to cash. Starting in the 1920s, oil companies and hotel chains began to issue credit cards, which  
50 enabled customers to make purchases and pay what they owed later. In 1950, Diners’ Club issued the first universal credit card, which could be used to purchase things at a variety of different places. Using plastic to make purchases eventually proved more convenient than bills or coins.

In 2009, yet another high-tech successor to money emerged. Bitcoins are a sort of  
55 unofficial virtual internet currency that isn’t issued or even controlled by governments, and which exists only in the cloud or on a person’s computer. Parag Khanna, a policy expert and CNN contributor, explains: ‘The real future is technology as money. That’s what bitcoin is about.

