**Crash Course Episode #11: Money and Finance**

**TRUE or FALSE? (if false, clarify)**

1. Using the barter system takes more time and energy than using money to trade for goods. **(0:56)**
2. Money must be made up of cash and coins issued and approved by a government. **(1:45 / 2:22)**
3. In today’s world, a lot of the money in use is digital instead of physical. **(2:49)**
4. Bitcoin is an electronic currency that is not regulated or issued by any national government. **(3:10)**
5. The vast majority of people who use Bitcoin plan to spend their Bitcoins on goods and/or services. **(3:49)**
6. In the past, dollars issued by the U.S. government could be traded in for a set amount of gold. **(4:08)**
7. The “gold standard” meant that as long as the government had additional gold reserves not yet backed by currency, it could issue more dollar bills. **(4:14)**
8. The United States began to move off the gold standard as long ago as the 1930s. **(4:20)**
9. About 20% of the world’s nations still use the gold standard today. **(4:42)**
10. Lenders sometimes consist of corporations with cash on hand, but ordinary households can also be lenders. **(5:11)**
11. Businesses that borrow money to invest in “capital” will often be spending their loans on things like machineries, tools, and factories. **(5:46)**
12. There are only two main groups of borrowers in the financial system: households and businesses. **(5:58)**
13. The financial system is a network made up of two groups: workers and employers. **(6:23)**
14. Ordinary households as well as governments and corporations sell bonds to lenders. **(6:53)**
15. A bond can be understood as basically the same thing as an IOU that includes interest on the money lent. **(7:02)**
16. There are three main ways that loans take place: through banks, through the bond market, and through the stock market. **(7:12)**
17. Stock is an ownership share of a company, and people with stock are called shareholders. **(7:33)**
18. Bank loans, bonds, and stocks are all regarded as “debt.” **(8:05)**
19. Fluctuations in the stock market are a reliable indicator of the health of the economy. **(8:25)**
20. Bonds and stocks both consist of pieces of paper that are traded on markets that connect buyers and sellers. **(8:40)**
21. A bank loan might be made up of money deposited from thousands of people. **(9:16)**
22. People who become lenders by depositing their savings into banks gain an advantage from the financial system because their savings might make up a part of dozens or hundreds of separate loans, which lets them spread out the risk of lending out their money. **(9:36)**