

NCERT Solutions Class 7 Social Science

(Exploring Society India and Beyond)

Chapter 11 From Barter to Money

The Big Questions? (Page 229)

Question 1. How did exchange take place before money?

Answer: Before money came into existence, exchange took place through the barter system. In this system, people directly exchanged goods and services for other goods and services. For example, a farmer might exchange wheat for clothes with a weaver. However, this system required a double coincidence of wants, meaning both parties had to need what the other offered at the same time.

Question 2. Why did money come into existence?

Answer: Money came into existence to overcome the limitations of the barter system, such as the difficulty of finding someone who wanted what you had and had what you wanted. Money made trade more convenient, efficient, and fair, as it acted as a medium of exchange, a store of value, a unit of account, and a standard of deferred payment.

Question 3. How has money transformed into various forms over time?

Answer: Money has evolved significantly over time. It started with the use of commodities like grains or cattle, then moved to metallic money such as gold and silver coins. Later, people began using paper currency issued by governments. In modern times, money has taken digital forms like debit/credit cards, mobile wallets, UPI, and cryptocurrencies, making transactions faster and more secure.

Let's Explore

Question 1. Imagine that you are a farmer and that people use a barter system where you live. You need a whole variety of things—a pair of new shoes, a sweater, and medicines for your grandmother. But you only have an ox that you can spare. How would you be able to exchange the ox for all the different things you need from different people or places? What difficulties are you likely to face? (Page 231-232)



For one, you would have to find someone who needed an ox. Now, swapping your ox for
Imagine that you are a farmer and that people use a barter system where you live. You need a whole variety of things a pair of new shoes, a sweater, and medicines for your grandmother.



But you only have an ox that you can a pair of shoes would hardly be a fair exchange! You may have had to go through a series of exchanges—for example, find someone to exchange your ox for several bags of wheat. You would then have to transport all that wheat to several places; first, find someone willing to exchange a part of the wheat for shoes, another person for the sweater, and yet another for the medicines. In each of these cases, a discussion would take place to arrive at the fair amount of wheat that you could exchange for shoes or for the sweater.



You would have to take the leftover bags of wheat and find a place to store them safely. The next time you needed something, you would have to carry the bags of wheat with you again!



Answer: Do it yourself.

Question 2. The illustrations given below show you some of the ways in which people practise barter today. Have you observed similar practices in your locality? What are the types of experiences people have in this process? (Page 236)



Answer: Yes, similar barter practices can still be seen in many localities even today.

(i) Exchange of old clothes for utensils: In many neighborhoods, vendors visit homes and offer utensils or household goods in return for old clothes or fabrics. People find this useful as it allows them to clear unused items and get something of value in return.

(ii) Book exchange in schools or communities: In some schools, libraries, or community clubs, children exchange books with one another. This is a fun way to read new stories without buying new books, and it encourages reading and sharing among friends.

(iii) Barter in fairs or local events: While not common everywhere, traditional fairs like Assam's Junbeel Mela are still held in some regions, where people exchange local produce, handmade goods, and forest products for food or other items. It's a vibrant cultural experience and helps maintain old traditions. Yes, old clothes for utensils exchange is still seen in many areas, and book exchange clubs are common in schools and libraries.

Experiences people have in these barter processes:

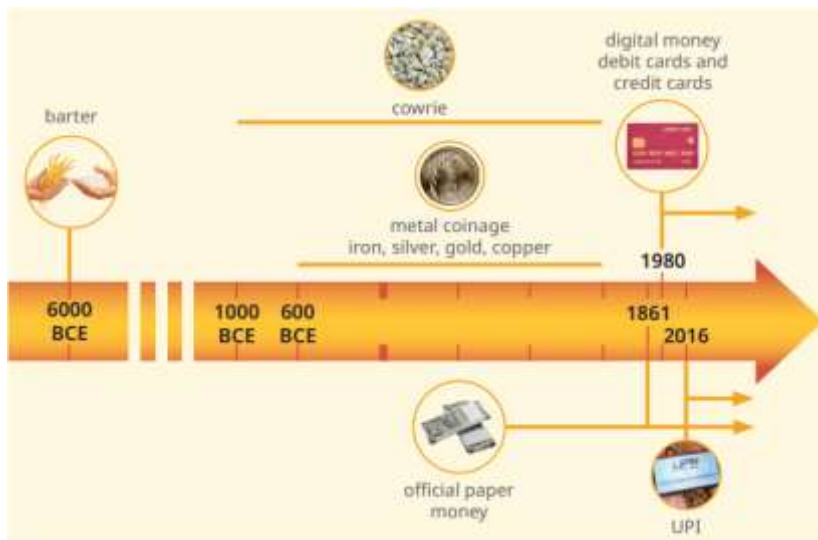
(i) Positive Experiences:

1. It promotes sharing and community bonding.
2. Helps reduce waste and encourages reuse of items.
3. Allows people to get useful items without spending money.

(ii) Challenges:

1. Sometimes there may be disagreement about the value of items.
2. Matching needs or finding someone who wants to barter may take time.
3. Quality or condition of bartered goods may not always be equal or fair.

Question 3. Look at the timeline given below. What are the changes in money that you observe? (Page 238)



Answer: The timeline shows the evolution of money in India and highlights key changes over time:

1. 6000 BCE – Barter System: Goods and services were exchanged directly without using money.
2. 1000 BCE – Cowrie Shells: Used as one of the earliest forms of money.
3. 600 BCE – Metal Coinage: Coins made of iron, silver, gold, and copper were introduced.
4. 1861 – Official Paper Money: The British introduced paper currency in India.
5. 1980 – Digital Money (Cards): Debit and credit cards began to be used for cashless transactions.
6. 2016 – UPI (Unified Payments Interface): A digital payment system that allows instant bank-to-bank transfers using mobile phones.

Question 4. The coins shown in the given figure were found during excavations in Pudukkottai in Tamil Nadu. Their heads embossed are those of Roman kings. What conclusions can we draw from such a finding?



Answer: From the discovery of Roman gold coins in Pudukkottai, Tamil Nadu, we can draw the following conclusions:

1. Active Trade with Rome: Southern India had strong maritime trade links with the Roman Empire.
2. India's Trade Advantage: The presence of Roman coins suggests that Romans were buying goods from India, indicating trade was in India's favour.
3. High Demand for Indian Goods: Roman coins in India imply that Indian goods like spices, textiles, and pearls were valuable in foreign markets.

4. **Cultural and Economic Exchange:** This shows early globalization exchange not just of goods but also currency and possibly ideas.

The coins prove India's rich trade relations with the Roman world and highlight the prosperity of ancient South Indian ports.

Question 5. Organise yourselves into groups of five students each. Take up a group project to collect old coins from family members, neighbours, shopkeepers, and so on. Document their various features what are they made of, what is the year inscribed on the coins, what do you observe on the obverse and reverse sides of the coins. What can you guess from your observations? How would you know if your guesses are true? (Page 241)

Answer: Do it yourself.

Question 6. What do you think happened as coins began to be used for all types of exchanges, whether to buy vegetables or to buy some land? What problems could have come up? (Page 241)

Answer: As coins began to be used for all types of exchanges big and small several things likely happened:

What likely happened:

1. Trade became easier: People no longer needed to match goods exactly as in barter.
2. Standard value emerged: Prices could be fixed for goods and services.
3. Markets expanded: More people could trade, even with strangers.

Possible problems:

1. Fake coins: Counterfeiting could have increased.
2. Storage and safety: People needed safe places to keep coins.
3. Weight issues: Carrying large amounts of coins for big purchases (like land) would be heavy and risky.
4. Value fluctuations: Metal coins' value could change with the metal's market value.
5. Unequal access: Not everyone may have had enough coins, leading to economic inequalities. Coins made trade smoother but also brought challenges like security, counterfeiting, and inequality.

Question 7. Look at a 50 and a 100-rupee note. Can you identify the motifs depicting India's cultural heritage on the reverse side of the notes? Find out more about them. Feel the surface of the notes. What special features of currency notes help visually impaired persons to identify the notes' denominations? (Page 242)

Ans. Do it yourself. (Page 242)



Think About It

Question 1. What are the different types of difficulties you encountered in the situation given on page 129? (Page 232)

Answer: In the barter system described, the following difficulties were encountered:

1. Lack of double coincidence of wants.
2. Difficulty in dividing large goods (ox).
3. No common measure of value.
4. Need for multiple exchanges.
5. Transportation challenges.
6. Storage issues for leftover goods.
7. Perishability of traded items.

Question 2. What are the instances of double coincidence of wants in the above example? Even if there are two people who want each other's goods and are also willing to make an exchange, other issues could arise—in what proportion should the two goods be exchanged? In such cases, it becomes difficult to compare the value of one good against another. If one of the people feels that the exchange is disadvantageous, they would not be interested in the exchange. This is because there is no common standard measure of value.

In the situation given above, what are the cases where you could encounter the lack of a common standard measure of value? (Page 233)

Answer: (a) Instances of double coincidence of wants: A double coincidence of wants occurs when two people each have something the other wants and are willing to trade. In the given example, such an instance would be:

1. Person A wants Person B's good and is willing to give their own good in exchange, and
2. Person B also wants Person A's good and is willing to trade.

(b) Cases where there is a lack of a common standard measure of value:

1. When both parties agree to exchange but do not know how much of each good to give or take.
2. If one person feels they are giving more value than they are receiving, the exchange breaks down.
3. Without a common measure (like money), it is difficult to decide the fair proportion of exchange, leading to disagreements.

Question 3. What are the different ways in which money would make the above situation easier for the farmer? (Page 234)

Answer:

1. No need for double coincidence of wants: The farmer can sell the ox for money and use the money to buy shoes, a sweater, and medicines from different sellers.
2. Fixed value for goods: Money provides a standard measure of value, making it easier to determine how much each item is worth.
3. Fewer exchanges required: The farmer can exchange the ox for money once, instead of multiple trades.
4. Easier transportation: Money is portable and doesn't require carrying large or bulky items like wheat.
5. No storage issues: Money doesn't require storage or preservation like perishable goods.
6. Simpler transactions: Money simplifies the negotiation process, as the value of goods is clearly defined.

Question 4. Suppose you need to buy a book. You have ₹50 in your pocket. You visit the bookshop in your neighbourhood where the shopkeeper tells you that the book is worth ₹100. What options do you have to buy the book today? Will you request the shopkeeper to allow you to make the rest of the payment later? (Page 237)

Answer: Do it yourself.

