

Last year, the Government of India decided to phase out the 25 paise coin. This means that the coin can no longer be used in India to buy things. Then, a few months later, we had the new symbol for the Indian rupee. All these changes set us thinking about money or currencies (notes and coins) used around the world. Then we thought to ourselves – let’s find out how people started using money as a way to buy and sell goods. So, here it is – the Story of Money.

The Story of Money





Did you know?
The study or collection of coins is called Numismatics

measure the value of things. In olden times in India and China, people used shells. In some parts of central Europe, people even used horses as a form of money.



Horses were once used a kind of coin!

Over time, as people discovered the use of metals, coins began to be used. Coins replaced things like shells because they were made of stronger material and could last longer.

The Rupee was introduced by a great king of India called Sher Shah Suri around 500 years ago. Then, when the British ruled India, they started issuing (creating) bank notes with the picture of England's king or queen on them.

After India became independent, Mahatma Gandhi's picture started appearing on the notes. Today, Rupee notes and coins are issued by the Reserve Bank of India, which is the main bank owned by the Government of India.



Last year, for the first time, the Indian Rupee was given a symbol (see picture in the right). The symbol is based on the Hindi letter for the sound 'r' as well as the English letter 'R'.

Looking into the Future

The role and format of money is always changing. With so many people buying and selling over the Internet, a lot of cash is stored online as e-money. This money can be spent using a computer or mobile phone to buy things over the Internet, without any paper currency exchanging hands! As more and more people get used to using technology, the amount of paper currency in use around the world may reduce. Which is not such a bad thing, if you think of the trees being cut to create currency paper.

Clearly, there is a lot of history in the bits of paper you hand out at shops to buy things. The next time you handle money, in India or even when you travel overseas, have a closer look at the money. There may be a little lesson tucked away within!



Going 'bank' in time

A few thousand years ago, humans lived in small groups in areas where food and water were easily available. There were no *pucca* houses, roads, large cities or means of transport. These were early humans who hunted animals for food. In such groups there was no buying and selling – instead people shared whatever food they had hunted or gathered.

Slowly over time, people also began to exchange goods – this is called barter or trade. For example a woman who had gathered a basket of ripe fruit may have exchanged them for meat from a hunter.

The problem with this trade system was that you had to find someone who had something that you wanted (like the woman who wanted meat and found the hunter in the example above). Then that person also had to want what you were offering.

How coins and notes began to be used

To solve this problem people decided to use a separate object that could be used to



Cowrie shells that were used as coins in India a very long time ago!

Over time, as people began to use banks for storing their money, banks started issuing (publishing, creating) bank notes or currency notes that were used to buy and sell things.

Today every country has its own currency. These currency notes and coins have pictures of their leaders or of important places in that country.

The India angle

In India we use a currency called the Rupee. India was one of the earliest countries in the world to use coins as money. The word 'Rupee' comes from the Sanskrit (an ancient Indian language) word *rupyakam* which means silver coin.

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