

Agent Penn E. Pincher's Notebook

Case Number: _____ Case Subject: _____
 1st Assistant to Agent Penn E. Pincher (your name) _____

Your Tasks/Agent Assignments:

Agent Pincher, your assignment is one of utmost importance to the Big Bosses. They feel that the penny situation is in a phase that needs close consideration and analysis. You are to inform yourself about this issue by investigating the websites provided. Record keeping is required for the validity of your work. Upon completion of these tasks a recommendation about this situation must be submitted to the Big Bosses to keep them informed.

Assignment 1: Refer to "Process" section of the lesson

Assignment 2: Your Research Notes

<u>Barter</u>	The first people didn't buy goods from other people with money. They used barter. Barter is the exchange of personal possessions of value for other goods that you want. This kind of exchange started at the beginning of humankind and is still used today. From 9,000-6,000 B.C., livestock was often used as a unit of exchange. Later, as agriculture developed, people used crops for barter. For example, I could ask another farmer to trade a pound of apples for a pound of bananas.
<u>Shells</u>	At about 1200 B.C. in China, cowry shells became the first medium of exchange, or money. The cowry has served as money throughout history even to the middle of this century.
<u>First Metal Money</u>	China, in 1,000 B.C., produced mock cowry shells at the end of the Stone Age. They can be thought of as the original development of metal currency. In addition, tools made of metal, like knives and spades, were also used in China as money. From these models, we developed today's round coins that we use daily. The Chinese coins were usually made out of base metals that had holes in them so that you could put the coins together to make a chain.
<u>Silver</u>	At about 500 B.C., pieces of silver were the earliest coins. Eventually in time they took the appearance of today and were imprinted with numerous gods and emperors to mark their value. These coins were first shown in Lydia, or Turkey, during this time, but the methods were used over and over again, and further improved upon by the Greek, Persian, Macedonian, and Roman empires. Not like Chinese coins, which relied on base metals, these new coins were composed from scarce metals such as bronze, gold, and silver, which had a lot of intrinsic value.
<u>Leather Currency</u>	In 118 B.C., banknotes in the form of leather money were used in China. One-foot square pieces of white deerskin edged in vivid colors were exchanged for goods. This is believed to be the beginning of a kind of paper money.
<u>Noses</u>	During the ninth century A.D., the Danes in Ireland had an expression "To pay through the nose." It comes from the practice of cutting the noses of those who were careless in paying the Danish poll tax.
<u>Paper Currency</u>	From the ninth century to the fifteenth century A.D., in China, the first actual paper currency was used as money. Through this period the amount of currency skyrocketed causing severe inflation. Unfortunately, in 1455 the use of the currency vanished from China. European civilization still would not have paper currency for many years.
<u>Potlach</u>	In 1500, North American Indians engaged in potlach, a term that describes the exchange of gifts at banquets, dances, and various rituals. Since the trading of gifts was so important in figuring the leaders' community status, potlach went out of control as the gifts became more extravagant in an effort to surpass others' gifts.
<u>Wampum</u>	In 1535, though likely well before this earliest recorded date, strings of beads made from clamshells, called wampum, are used by North American Indians as money. Wampum means white, the color of the clamshells and the beads.

Across time identify what's being used as money?

9000 BC	Cattle and Crops
1200 BC	Cowrie Shells
1000 BC	Base Metal Coins
700 BC	Precious Metals
800 AD	Paper Currency
Today	ATM's, Digital Cash, Credit Cards

Birth of a coin answers:

Where are the four mints? **San Francisco, Denver, West Point, Philadelphia**

Plaster casts are made then **rubber** casts are made.

Epoxy coins are then put in a **transfer-engraving** machine.

For **3** days the coins is slowly carved.

One roll of metal is as long as **5** football fields and makes up to **325,000** blanks.

Then they are **heated**, next **cooled** then given a **bath** then **dried** off. Then they are sent to a machine called an **upsetting mill**.

Then they are put through the coin press. You might use these coins to buy **candy, gum, or games**.

It's true what your parents and Grandparents say, money used to buy a lot more. Use the inflation calculator (located in the list of websites for assignment two) to complete the following.

Try these:

Year 1920, I bought for \$1.00 how much in 1970:	1970: <u>\$1.94</u>	2004: <u>\$9.37</u>
Year 1950, I bought for \$11.00 how much in 1990:	1990: <u>\$59.66</u>	2004: <u>\$85.49</u>
Year 1988, I bought for \$50.00 how much in 1993:	1993: <u>\$61.07</u>	2004: <u>\$79.16</u>
Year 2000, I bought for \$10.00 how much in 1970:	1970: <u>\$2.25</u>	2004: <u>\$10.88</u>
Year _____, I bought for \$ _____ how much in _____:	1970: _____	2004: _____
Year _____, I bought for \$1.00 how much in 1970:	1970: _____	2004: _____

For your report:

Who prints paper money? **The Bureau of Engraving and Printing, since 1877**

Where is it printed? **Washington, DC, Ft. Worth, Texas**

How much is used to replace worn out bills? **95% of 7 billion notes are used to replace unfit notes; five percent will support economic growth.**