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# 4: Credit as Currency

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## Ancient World History

### CLASS TIME

One 45- to 50-minute session

### OBJECTIVES

Students will explain the use and principles of currency as it relates to the establishment and continuation of credit and banking systems.

### NATIONAL STANDARDS

The standards used for these lesson plans reference the “10 Thematic Standards in Social Studies” developed by the National Council for the Social Studies (NCSS).

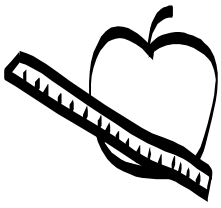
- **Culture**—Students should be able to construct reasoned judgments about specific cultural responses to persistent human issues
- **Time, Continuity, and Change**—Students should be able to investigate, interpret, and analyze multiple historical and contemporary viewpoints within and across cultures related to important events, recurring dilemmas, and persistent issues

### TERMS AND CONCEPTS

- The United States Mint 50 State Quarters® Program
- Medium of exchange
- Legal tender
- Wealth
- Power
- Credit
- Bank

### MATERIALS

- An envelope containing 2 or 3 coins from the 50 State Quarters Program (1 per group)
- Copies of class money (in dollars) (2 per student)
- Copies of homework passes (1 per student)
- Copies of “Deposit Slips” (1 per student)



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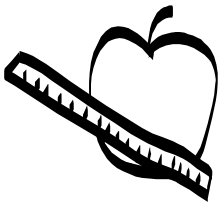
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- Classroom text (1 per student)
- Chalkboard or whiteboard
- Chalk or markers
- Examples of checks, travelers checks, and credit/debit cards
- Copies of an “Ancient China: Banking and Credit” reading with information from a Web site, such as those available at:
  - [china.tyfo.com/int/literature/history/20001026lit-story3.htm](http://china.tyfo.com/int/literature/history/20001026lit-story3.htm)
  - [www.travelchinaguide.com/intro/history/five\\_dynasty/](http://www.travelchinaguide.com/intro/history/five_dynasty/) (paying close attention to the “Economy” section)
  - [www.askasia.org/silk\\_roads/1000099/1000099c.htm](http://www.askasia.org/silk_roads/1000099/1000099c.htm)

## PROCEDURES

1. Conduct a warm-up session by listing the 6 lesson terms and concepts on the chalkboard. Divide the class into small groups of 4 students. Direct the groups to describe these terms in their own words and give an example of each.
2. Challenge students to come up with a unique, one-sentence definition for “money.” Pose the following questions to students to direct their thinking: What makes one thing “money” and another thing not? Can individuals in a particular country accept something other than the national currency as “money”? In what circumstances? Will a bank accept anything for deposit other than that which the country defines as “legal tender”? Under what circumstances?
3. Have groups read their definitions to the class. Identify definitions of money or pieces of the definitions that the entire class likes or agrees with. Using this information, create a class definition of “money.”
4. Repeat step 3 with each of the lesson terms and concepts.
5. Distribute envelopes containing new quarters to each group. Direct each group to examine the coins. Have students write a group response to the following question: What it would be like if quarters were the only form of legal tender in the United States?
6. Reconvene as a class and review group responses. Ask students to generate a list of problems that would arise if quarters were the only form of legal tender. If necessary, direct the students’ thinking with the following questions: How difficult would it be to purchase a television or an automobile using rolls of quarters only? Why would most people not feel comfortable carrying enough quarters to buy their groceries?
7. Discuss the general need for a different, acceptable medium of exchange and list other forms of alternative exchange media.



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8. Have students imagine that coins and paper money were the only form of exchange media in the United States. Ask students to generate a list of problems that would arise. List problematic scenarios on the board. Acceptable responses may include; paying bills, large purchases such as a house or a car, etc.
9. In groups, have students analyze the scenarios. Direct students to determine which situations would be best rectified by a line of credit and which problems could be solved with other representations of legal tender, such as: checks, traveler's checks, and credit/debit cards. Have students justify their answers.
10. Ask students to discuss how people have come to trust items such as the check, the credit card, the debit card, or the money order or traveler's check as acceptable mediums of exchange. Include in the discussion that these items are not actually legal tender; they just represent it. Display samples of these and distribute for groups to inspect. Discuss with students what makes these alternative exchange media interchangeable with legal tender.
11. Ask students when they think banking and credit systems were first introduced in history. If necessary, explain to students that evidence of banking and credit systems can be found in ancient civilizations. Introduce the next activity by explaining to the students that they will be reading about the creation and expansion of banking and credit throughout ancient Chinese civilizations.
12. Direct student reading by asking students to compare the scenarios and resolutions in the reading to that which they brainstormed on the board in step 10.
13. Distribute one "Ancient China: Banking and Credit" reading to each student. Allow an appropriate amount of time for students to complete the reading.
14. Discuss with students the similarities/differences of the scenarios in the reading and those on the board. Ask students to analyze the factors contributing to these similarities and differences.
15. Direct each group to create a three- or four-sentence summary explaining the significance of credit to trade networks between China and other countries.
16. Ask the students to address the following questions in a class discussion: How did the early use of credit and banking by the Chinese influence other cultures? What impact did the expansion of credit and banking systems have on commerce in ancient China? Have students use the reading as evidence in their responses.