Money and Banking
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Lecture - 2

Let us summarize what we did yesterday. I tried to define money and I said that it looks like the most, narrow definition of money is currency that you see. Most narrow definition of money is currency, which are notes and coins. But if you look around given the banking systems we have, one can easily open a savings account and can write a cheque in the morning and withdraw money or they can withdraw these days from automatic teller machines. So, need not be cash with people or currency, but even some accounts in banks, which has checking facility, is part of your money.

So, money can have a narrow, wide, all sorts of definitions. We will come to that later. The question that arises, most important question that arises is money part of wealth. We said yes, wealth is a broader item, which contains money and non money as such. Then why do we need money is a more important question. I said the oldest function or utility of money, the oldest function or utility of money that you have is that money serves as a medium of exchange, because as a medium of exchange, if you have a common unit in a country, it helps you out in many ways.

A few examples I gave you. One if you have a barter system, where people exchange goods against goods or goods against services, we have multiple exchange rates, which are difficult to remember. Like, 1 pair of shoe is equal to 2 shirts, 1 pair of shoe is equal to 3 kg’s of wheat, 1 pair of shoe is equal to half a semester classes whatever. It is very difficult to remember that. Whereas, if you have money, you simply remember the price in money terms and also, it reduces the number of prices, which I called exchange rates are relative prices. Price of shirt in terms of shoe, price of lectures in terms of shirts, whatever; these are relative prices. The prices become simpler and I gave you the example that, suppose you have 4 items. Then, there will be at least 6 relative prices in a barter system. But, in a monitory system, where you have money, there will be 4 prices 4 items, 4 prices, which are sold in the market.

So, it does simplify. But, to serve as a medium of exchange effectively, which has evolved over time, economists', kings, emperors, etcetera, who discovered and used money or made money popular or compulsory realized that money need to have certain properties in order to serve as an effective medium of exchange.

Number one, it must be standardized, so that, there is no confusion. The money you have is different from the money I have. It must be widely accepted, people should accept money and it must be divisible, so that, you can make small exchanges, where part of money is required. A unit, say 100 rupees is not required, but, 25 rupees required or say 20 rupees not required, but, 12 rupees required. So, money must be divisible. You are not force to buy a fixed amount. You can buy any amount.

So, money must be divisible. Money must be easy to carry. I gave you the example that, imagine a house wife going to the vegetable market, with a porter carrying a basket full of money on his head. It is so heavy. It cannot be like that. Money should be easy to carry and it must not deteriorate quickly. Because, if money deteriorates quickly, whatever form it is, paper money or better link money, whatever, then it is very difficult to find out as people can lose confidence. Printed so, money must not deteriorate. It must have a good quality, so that, it lasts and if does deteriorate, then the central bank, who has issued the money, any f b country, must willing to withdraw it and replace with new money.

Then, I said there are two more functions of money which have developed. One is the unit of account, which is very important. An accounting system, you can keep accounts in terms of money. So much expenses in rupees and so much income in rupees, so much I borrowed from you in rupees, so, which I have to repay, and so much interest I have to pay to the bank; accounting systems, money can be used.

It is good if you have money and also finally, the store of value function. You can use money to store value. The way, you use jewellery, gold, silver and other precious metals, property, shares, bonds, fixed deposits to store value, which you can use later. Money can be used to store value. So, this is what I said. Then, I went into, if you compare money with non money assets, then this issue comes and also within money, various kinds of money, the issue comes, the issue of liquidity. Liquidity is how quickly you can use that. The cash in your pocket is more liquid than the cash in your hostel room, because you have to walk to the hostel room to get the cash.

So, the most liquid form of money is the cash in your pocket. The cash in the bank is less liquid than the cash you have in your hostel room or what I have in my house. The cash in the fixed deposit accounts of banks are less liquid than the cash in the savings account, because fixed deposit, you have to give a notice, break the fixed deposit and withdraw your money. Cash in shares are less liquid than the cash in the bank, because shares, you have to go to the broker or dealer, arrange it and re sale it at the opportune moment. You have to pay him a commission, etcetera.

So, when you talk about liquidity and utility of money, where you can use it for whatever reasons or whatever requirements you may have, the money liquidity is also associated with something called what is very popular in economics called transaction costs. The additional cost one incurs to complete an economic function. I have to go to the bank 2 miles away, wait till tomorrow morning 10’ o clock, the bank will open and then, I can withdraw cash. As opposed to, I go to the automatic teller machine, next door they have opened, which they have done for the hostels. Banks automatic teller machines near your hostel. The purpose is to reduce the transaction cost. You do not have to come to shopping center to use the machine there or you do not want to wait till tomorrow morning for the bank to open, stand in a queue and withdraw your money, which unfortunately I still do. I prefer transaction costs. So, I am not a good economist.

Economist would say, you reduce transaction cost, because they are unnecessary cost. If you can reduce them, system is more efficient. But, I prefer still to stand in a queue and not wait till the automatic teller, go to the automatic teller machine. I still do not have an electronic system. I cannot buy through e payment and cannot make any purchase. So, I have a lot of problem.

Anyway; so, transaction costs are common and you see, the liquidity and transaction cost are kind of associated. You have to go the broker to handover your shares, arrange an appointment and then, the brokers takes his time to sell of the share in the secondary market, and hands over the cash to you after keeping the commission. Huge amount of transaction costs and transaction costs are not necessarily money costs. That you have to board a metro to go to the bank or you have to call a rickshaw to go the bank, which I used to see at IIT Kanpur. Often people do from faraway places, there hardly use to be any cars. So, the house wife typically did not ride cycles. They would get a rickshaw and then, go to the shopping center. So, not just transaction cost can be non economic costs. Transaction costs can be what you call that, this psychic costs etcetera.

Then, after that, I came to the concept of value of money. The concept of value of money is higher, but, it is very different. It essentially talks about the purchasing power of money. How much money can buy? 10000 rupees today has less value than 10000 rupees in 10 years back. What does it mean? 10000 rupees can buy fewer goods for me than what 10000 rupees bought for me 10 years back; keeping aside the quality issue of goods. I am keeping aside the quality issue. That can be a different story. The simple reason is, the same good which cost you some 10 rupees per kg will cost you now 20 rupees per kg. So, prices in a country are an essential item from the point of view of the value of money, because if the prices are going up, value of the money is falling. They are inversely relative. This has nothing to do with liquidity of money or transaction cost of money or anything.

Value of money is simply how much money can buy; purchasing power of money and value of money do fluctuate. Value of all forms will fluctuate and they fluctuate unexpectedly. Share prices, value of share and stock brokers are in trouble, share prices are falling, their price falling, share price falling and value of shares is falling is a positive relationship. Value of money has an inverse relationship with prices of goods. I will come to price of money also. There can be a concept called price of money. I am coming to that.

So, purchasing power of money, which is also the real value of money is essentially the goods that you buy. Therefore, price index is essential to note down. Price index; in macro economics, you have studied price indexes, because the price index is a measure of average prices using a statistical approach called index number. So, use index number method to measure average prices, typically on the basis of representative goods.

Millions of goods are there in the country. You cannot take prices of all. It will take years to compute the price. You need weekly prices. So, you have a representative price of representative goods and also the representative prices, because price of the same good will cost different amounts. Notice in the TV news, when the petroleum price will go up, in Bombay, now it cost this much and now in Calcutta, this much and in Chennai, it cost this much and in Hyderabad, in Bangalore, in Delhi, in Calcutta and in any other place, everywhere prices are different. So, you have to take representative price also. So, this is not just one price in the country. This is also a problem. Not that you have millions of goods, but, millions of goods will have hundred of prices. My goodness! Literally, hundreds of prices you can have. You just travel around the country and ask for the prices of 1 kg of rice or simply you take a car; Maruti car. That price would change because of various reasons like local tax, etcetera, etcetera.

So, the price has to be; therefore, value of money fluctuates and similarly, prices of or value of goods, non money assets can also fluctuate. Property prices fails means the value of the property has fell. So, in wealth, you choose the basket as money and non money assets, all prices can fluctuate and therefore, the value of these can fluctuate. But, value of the money is very different thing. The value of the money is not measured in terms of price of money. Value of the money is measured in terms of prices of goods, where they have an inverse relationship. Remember that. Whereas, the value of other items are in terms of their prices; directly measured.

So, prices, etcetera, therefore you can image, when demand for money, there was a research going on. For demand for money and what would be a stable demand of money function and people are saying that, non money assets matter in people deciding how much money they would keep or demand. All these issues came up. Which is the stable non money asset? Are they un stable non money assets? Are they unstable non money assets in terms of value or prices? What would people prefer? To hold the money? Not put it there, because it is unstable. It is insecure. Your return may not come. You may lose money. Just what happens in the share market. Again, in the share market, in the secondary market, it is typically buy an item at a low price and sell it off at a higher price and it may capital gain. So, suppose you cannot make capital gain. You make capital loss and repeatedly you make capital loss. You will forget about it. Either I put my money in the savings account or more safe like a fixed deposit.

By the way, I am coming to the price of money etcetera later. Now, as I told you, therefore, money, non money, they all determine together, how you would demand money. In macro economics, you must have come across transaction demand for money, speculated demand for money, and precaution demand for money. Precaution demand for money typically is a constant, but transaction demand and money speculated demands would vary depending upon returns from other forms. You would cut down the current transaction cost, if the current transaction amount or the transactions, if for instance, return from some non money asset is very high. Put the money there or postpone your spending for future. Postpone it to tomorrow or day after tomorrow. If you feel that putting money in any system, in any form of asset like property or something which can fetch you out a lot of income within 5 years, you rather cut back from your transactions now and transaction demand will go down and put the money there and make the happy buying for your family 5 years later or for yourself.

So, demand for money, which is not usually taught in macro economics undergraduate course is very much depends upon the return from non money assets, prices, expected future prices, current prices of non money assets, which determine the returns for non money assets. As to therefore, what will be your current kind of expenses in the family? It can happen.

Now, having said all these things, which you already know from the macro course, the speculative demands, which Cairns called speculated motive, the transaction demands, which Cairns gave a name, probably transaction motive, which however, existed from the classical macro model, classical macro economics and precaution motive, which is, I do not know whether it exists in the classical days is there. But, Cairns still spell out these three motives. There can be three kinds of demand for money, which I need not go into that. You can open undergraduate text book, macro economics text book and you can find them.

What I want to get into now is this. What is money? This is the topic that I am teaching; is not only that money has functions, that is why we need money like medium of exchange etcetera. For medium of exchange to function effectively, we need certain properties of money. Or, money can be defined like this. I want to take you to the historical development of money, which is very interesting. This is what I call here the kinds of money and I want to talk about the traditional and modern systems.

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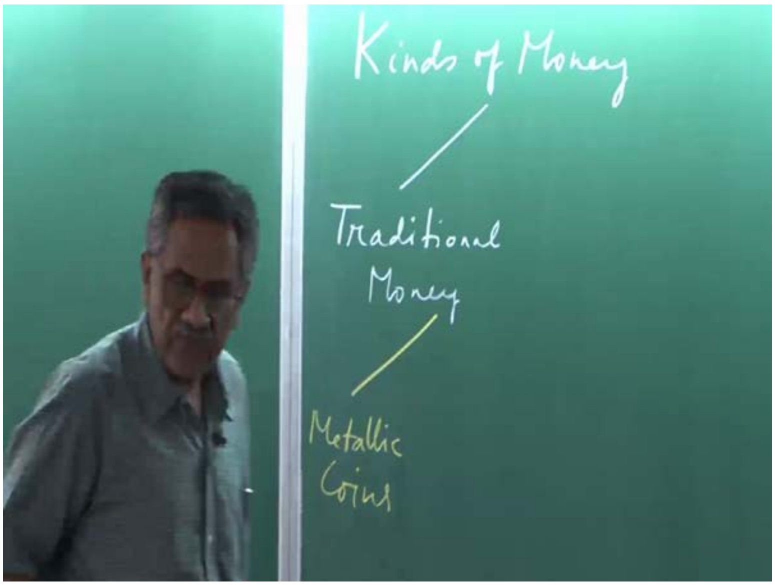

So, the subtopic that I would talk about now is kinds of money. Now, you understand what do you mean by kinds of money? I actually, this classification of money into kinds or types is emerging from the historical development of money. Let me tell you the history. This you would enjoy. Let us talk about the traditional system, the traditional money, one group called traditional money. Let us talk about the traditional money. Let us talk about the traditional money.

If you look at the traditional money and the forms of money or the kinds of money that have evolved over the time, you will find there three kinds of the traditional money. The earliest description of money that we have found through archeological excavation from old kingdoms and empires is that money in the earliest form existed in the form of metallic money. Some precious metals usually gold or silver, in the early days, were used to make money acceptable to the people. This is gold; silver. Amazing! Human beings were not civilized, but, they knew, were very conscious about the value of precious metals like gold and silver. So, the earliest form of money that you find in the traditional system is the metallic coins. Earliest form you will find metallic coins and this metallic coins what we archeologist have found; money is kept in museum. You can find them. At private collection, they may be few; earliest form; centuries old; thousands of years. These metallic coins were usually precious metals that they use to use; gold and silver.

How they made it acceptable is through two methods that they used. One is the precious metal. So, everybody would take it. Why refuse it. Second, usually have the emperor or empresses signature. Not signature. The signature is usually the face. Somehow imprinted on it. Amazing! Somehow imprinted on it, so that, people say (( )). So they accepted.

So, just not any piece of gold in a round or oval shape or some shape given; it had a signature on it and the signature is typically the emperor or empresses portrait; the face. But, the problem what became with this metallic money is, these precious metals, they are very difficult to carry. Number one, because they are very heavy. So, you cannot carry a whole lot of gold in a bag. Second, there is always the fear of theft, because it is a precious metal. So, those days without a good transport system etcetera, you are traveling from one place to another place. Suppose, you are a trader and you are carrying metallic coins. Theft (( )).

So, many of the ship wreck areas, what they look for, these bounty hunters, they look for these metallic coins and metallic, whatever goods it can be, pots and pans. It can be anything alright. So, two problems emerge from the metallic coins. Practical problem. One is very heavy. So, it is not so easy to carry. So, it is not serving as a medium of exchange. It is not a very effective medium of exchange. Second is always the fear of theft. So, what happened over time is, these metallic coins gradually, which are made from precious metals, were gradually replaced by less precious metals. Not so expensive metals. Like copper and nickels; still expensive in today's world. When I was growing up, I was even younger than you are, I was only 4 to 5 years old, 6 years old I remember, there used to be nickel coins and there used to be 1 paisa coin also.

So, they started to make, even in India, I am talking about 50 years back or something, nickel coins. So, they started using not so expensive metals, which are less heavy, easy to carry, more easy to carry and also the fear of theft is less. So, these metallic coins, they started making out of copper and nickel. This metallic coins, when they started making of copper and nickel and money usually has a value. 100 rupees, whatever that name is, yen, mark, pound, dollar, who knows what the name is, they used to use. You find the history of these names in history books. What they found and what they did cleverly was, they made now the face value of that coin, which says 100 rupees. But, the copper or nickel, content value, the value, the intrinsic value, which we call, value less than the face value. So, what used to be the case, in the gold and the silver age, the gold content was equal to at the current market prices, the face value of the coin. So, the intrinsic value is to measure the face value. (( )) Gold price 15,000 rupees; That means, the intrinsic value is equal to face value.

But now, with this nickel and copper replacing it and trying to make it lighter, what they did was, many times the face value was printed in order to make it easy to carry the coin, but, the intrinsic value become less. This came to be known as token money or symbolic money. The word used to identify this kind of money whether the face value is more than the intrinsic value. Do you think this 100 rupee note, this piece of paper, is worth 100 rupees in the market? Symbolic money or token money, the face value, which says 100 rupees, is much more than the intrinsic value. This became, the word they used is token money or symbolic money.

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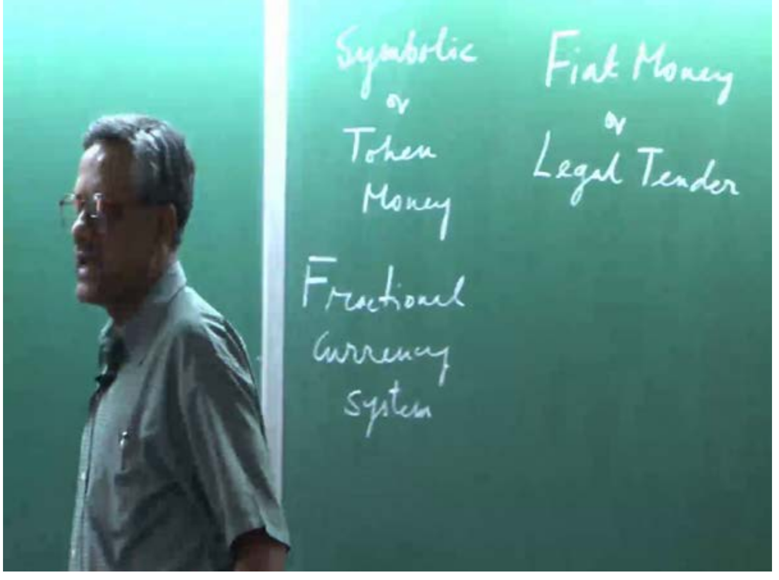

So, the intrinsic value now differed from the face value. This was kind of a second stage of development of metallic coins. I will take your questions later; face value and token value. Today in India, in all other countries, you will find many such metallic coins still in use. In India also, we have metallic coins used. 10 rupee coin, the metal may be, I have been told the metal price has grown up so much in India. Sometimes, the intrinsic value is turning out to be more, in India more than the face value. So, some dishonest traders or producers are melting that metal, the coins, because they are getting more worth out of it than what they would have been able to get if they have used it as a medium of exchange and doing something out of this. Unbelievable! Whatever metal, they use steel also in India, aluminum; these are the things they are using in India probably. Some alloy they are creating and making the coins lighter and easy to carry. But, the 10 rupee coin is not very light I have seen. You cannot carry a whole lot of 10 rupee coin. They have made the 10 rupee coin recently. So, I am coming to that.

Now, what has happened, I want to tell you something that, over time, the use of coin as a form, only from of money, gradually diminished because, there is another form of money that developed, which is the paper currency. So, what happened was, not only there was a transition from precious metals to less expensive metals to make the coins easy to carry and there is less fear of theft or whatever, what also happened was, coins became only a small portion of the total currency in a country, where the larger dominating currency unit has become, even today, is paper currency.

So, this system which we have is a combination of paper currency and coins is known as fractional currency system. Fractional currency system. Not a one currency system. Then, the coins can constitute only a fraction of total currency. So, what we have now is a fractional currency system, where coins constitute only a small fraction. You know what the number is? I will give the number in India. It is around 1 or 2 percent only; the coins constitute the total value of currency in India. Fractional currency system.

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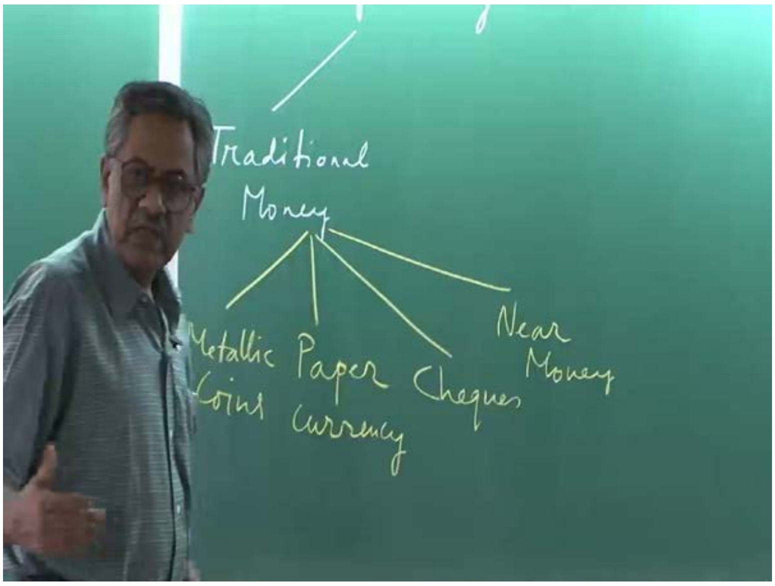

Now, let us go therefore, to the next, what happened was the paper currency. How did that develop? Paper currency, how did that develop? That has some stages of development it went through. As I told you, gold and silver coins were not only replaced by inexpensive metallic coins, an important invention was the paper currency. What happened about paper currency and how it developed is very interesting.

Initially, paper currency simply carried a promise that it could be converted into coins and precious metals. So, you are traveling from Delhi or Kanpur to Chennai and you want to carry some money. Now, carrying gold silver or even other metallic coins is a horrendous problem, because of the weight etcetera and suppose, you are going to spend a month there. So, you are carrying lot of money. So, then people invented what is called a paper currency, which simply said that, issued by somebody, some authority, may be in the form of bank or government or whatever, that if you give it somebody else in Chennai, it promises to give you this amount of actual coins when you reach Chennai. So, paper currency was simply a promise on a piece of paper that you carried. You do not have to carry coins a lot. You carry that safely. May be it requires your signature or whatever and when you reach Chennai, you go to the appropriate authority and get it converted into proper currency, which are still coins.

So, paper currency may came into, in its most original form, came into existence when coins were still the currency and paper was not a currency. It was simply a promise, which can be converted into currency. It itself is not a currency. Later, what happened is, paper currency was made what is known as fiat money or legal tender. Later, what happened was, paper currency was made. Paper itself became currency. It was known as; it became what is known as a fiat money or legal tender. Fiat money or legal tender, essentially means, tender means, I tender my resignation is, I give it to you or I hand over my resignation. Legal tender means, legally I hand over this to you when I am buying goods; that means, it is a currency. So, it became a legal tender or a fiat money.

When that paper was formed, it was given more sophistication on which it was written, it was like a degree, a law, an order of the state having the force of the law, by the government or the state as legal tender. What it means is that, it must be accepted as payment for any debt that I may have. So, when I am buying goods for you, in monetary economics, we look at it as, I am having a debt towards you. Suppose, I have to make you a payment, because I am getting these goods from you and it is legal. Not illegal, because it is backed by law and by the government, which is called decreed and you have to accept it. In order to make it a legal tender, paper currency, when it became currency and not just a promise, which I hand over to somebody and get the currency, paper itself became currency. What happened was, if you now look at a coin, not a coin, a paper currency, you will now see what is written and how it became a legal tender. First of all, it is written on the top, Reserve Bank of India; that means that is the issuer. Like, you buy a good, where the company name or brand name is written.

So, that is the company selling it. So here, reserve bank of India is selling it. Underneath, in the small letters, it is written, very interesting, not only Reserve Bank issues it, but, it is guaranteed by the central government; decreed by the government; law. It has the backing of the central government. You cannot deny it. You cannot say I am not going to accept it, because it is issued by Reserve Bank of India, which is a respectable organization. Not only that. It is guaranteed by, whatever values is written, 100 rupees, 500 rupees, 1000 rupees, 50 rupees, 20 rupees or 10 rupees, it is guaranteed by the central government.

Now, if you open a currency, we see all these things written. Probably, you have never read it, but, God knows how many times you have used that. Now, after that, what you will see or look is what it promises. Here is the governor signature and this note was issued when the governor of Reserve Bank was Y.V.Reddy. His signature is there and what he says is this. I promise to pay, I promise, Y.V.Reddy is saying as governor of Reserve Bank, I promise to pay the bearer, whoever is holding it, the sum of 100 rupees. That means this is not still currency. It is equal to the value of 100 rupees. So, 100 rupees still remains an unknown thing. We do not know. But this can be used to do the transaction worth 100 rupees. So, if I give it to you, I give it to Jagadeesh, and then Y.V.Reddy is telling to Jagadeesh, I promise to pay the bearer who is holding the currency, the sum of 100 rupees. That means he is getting a value worth 100 rupees out of it.

Look how it has become legal tender. It was initially just that it promises to get it converted into rupees worth, even gold coins and silver coins, rupees worth something, but no longer that. It itself is a currency now and the governor of the Reserve Bank and of course, you have the Ashok Stambh and you have Gandhiji’s. How can we forget bapuji? We made a country and if we look around, you will see bapuji everywhere of course. But, anyway on the note, you have bapuji and etcetera, a serial number, whatever it is written. Various languages of India are used. Scripts like, Devnagiri, Bengali, Odiya, many languages.

There are some North Indian, various languages; in various Indian languages, it is written, what it is? 100 rupees. You have probably never seen this, but, this is what it is written. So now, this paper currency initially was not a currency. It was simply a piece of paper promising you to get it converted. But, when it become fiat money or legal tender, now one does not require this to be converted into gold coin any more or silver coins or metallic coins to make the transaction. Simply this can be used and people will have to accept it.

If you open Reserve bank of India balance sheet, where they report, how much currency they have printed and put it in and out and coins they have minted or manufactured. 2006 and 2007 I have, notes in circulation were 495938; out of which, rupee coins 6626, 1.3 percent rupees coins and small coins, 0.3 percent. So, out of total, our currency system now has 6 years old data, 5 to 6 years currency system data. I said about 1.6 percent coins. So therefore, 98.4 percent is notes. A fractional system we have. Is it alright?

Now, when people currency was getting developed, banks are actually coming in to existence, because, banks were given the power by the state to handle us. Banks were coming into existence, but, original banks did not deal with paper currency. Original banks dealt with paper which can be converted into currency. So, they were like cheques. What is written in cheques is IOU. When you making the cheque payment, basically IOU is written; I, I am owe this amount of money to you.

Now, paper currency and coins, slowly people realize are having some common problem, which existed historically. They can be stolen still. Easy to carry. So, there is a temptation to carry a lot of currency. (( )) Problem then that suitcase. This is where the banking system started developing. It is therefore difficult to transport. With the banking system what happened was, you can have accounts which are called demand deposit accounts, which are checkable. What is demand deposit account?

Demand deposit account is my money, which I have kept account, which I can withdraw on demand. What is the other form of account? Time deposit account, which has a fixed time; its maturity; its life. I cannot just write a cheque and say I am with drawing my money from bank time deposit. Time deposit account, which we call fixed deposit and demand deposit account are savings accounts, checking accounts etcetera, where I put my money and I can withdraw it on demand with some restriction. Some minimum balance, number of withdrawal in a month etcetera, they are there. But, more or less, I can withdraw my money. These are called demand deposit accounts.

So, there developed the deposit accounts, where I do not have to carry the cash. I have to carry the cheque book. When I go to my bank, I can write a cheque and withdraw the money. It became easier. Banking system started developing, where you can have your money in an account and the bank is the custodian of that money. All you have to do is write a cheque and withdraw the money or make a payment through cheque. Checking system started developing. Checking like system existed in the original form of paper currency, where the paper currency, you show, you will get the money. You are not carrying the money and while showing it, you will require proof of course alright, signature, whatever.

So, demand deposit account started getting created in banking system and it started developing. Not only the banks were developing or in India, for instance, it has developed or in the US, it has developed, which are called commercial banks like State Bank of India, but, the banking facilities like this also developed non banking institutions. Can you give me example in India where you have banking facilities, write a cheque, withdraw your money, deposit your money, time deposit account are there, demand deposit were there, but, they are not banks. Post offices. Wonderful.

Similar organizations are also there in a very old economy like the United States. They also have that. They are not banks. They are like savings organizations. They collect the savings and operate like banks. Many countries may have that. These deposits can be converted into cash on demand for purposes, checkable deposits. Cheques are typical IOU type, where IOU; O is an abbreviated word for owe; that means, I am indebted to you. So, that is why I am making the payments. I bought some goods. So, IOU cheques are written to make the transactions. So, this is how the bank developed after the paper currency came and they found still it is very difficult, because of the insecurities, the security issues, the transaction costs involved, and psychic costs. No, it is true.

Then, I come to one more thing. We are closing our class soon. There is something which developed. So, there are cheques, paper currency and then, there are cheques, which is the form of money, like the old paper currency system. Cheques themselves are not money, but, cheques can be converted into cash, like the old paper currency, initial paper currency thing.

Then, what I had is something called near money. Under traditional money, we also have cheques, paper currency cheques and you can also have near money. Near money is essentially talking about liquidity of money. It is not as liquid as money, what we call and money is I am talking about currency only. Near money is not as liquid as money. Say for instance, fixed deposit account, which is near money. Or say, mutual funds, where, when you put money in a mutual fund, usually there is a lock in period.

There is a lock in period in mutual fund. For 3 years, you cannot take any money out. After 3 years, you are free to sell it off. The UTI units, SBI magnum, whatever; mutual funds, which are equity linked usually. You put the money and then the organization invests that money in the share market in some proportion. (( )) Debt equity, whatever, debt instruments, equity instruments whatever or government bonds; these are all near money, where there is a transaction cost involved. It is not liquid and is much less liquid and kind of illiquid, but still, it is your money and can become money or currency, which you can use. Can be used as money, but, they are near money. Not actual money. You cannot use them overnight. Kind of what we usually call as investment money. But, also fixed deposits comes here. Money in fixed deposits cannot be used. You require a week's notice etcetera. So, I stop today with the discussion up to traditional forms of money.