

Near Money

This type is that money which is actually not money but passes a lot of qualities of money. They can be converted into money. i.e. liquidity is found.

Bills of exchange, bonds, shares are example of near money.

Qualities of a good money material

The metals used for coinage should have general acceptability of public. Gold and silver are considered as best money material.

Teacher's Signature.....

- (b) It must possess a durable quality, It must be available and should not rot, thaw or rust.
- (c) The metal should be known to the public.
- (d) Money should have the quality of portability as it is transferred to many places paper money is portable.
- (e) It must be divisible as in adverse situation it can be fragmented into small units.
- (f) Money material must be malleable so that it can be easily melted and brassed into any shape and size.
- (g) The material must be stable and the value should not fluctuate.
- (h) It should be homogenous in nature.

By going through above points we can conclude that no other metals other than gold or silver passes the qualities of a good money material.