

EVOLUTION OF MONETARY TRANSACTIONS - FROM BARTER TO PAPER CURRENCY TO DIGITAL WALLET

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MAJOR BENCHMARKS IN THE TIMELINE OF MONEY

Barter System

Coin-age

Paper Currency

Plastic Money & Digital

Wallet

EVOLUTION OF MONETARY TRANSACTIONS

BY ANAKIMS VARGHESE

With the turn of the century, trading and transactions domain saw many surprising and marvelous digital transformations. Where a decade earlier, people would have been mortified to use a decentralized, peer-to-peer, crypto-currency like Bitcoin, it has now become a norm to invest in and explore new options in transactions.

The genesis of money took place way before the beginning of written history, and it would be equitable that 'facts' of how money originated is largely based on theory and logical deducing!

In this blog, let us indulge into the four major benchmarks in the timeline of money that helped course its current diegesis.

BARTER SYSTEM:

TIMELINE: 6000 BC

In his book titled 'Politics', the Greek philosopher Aristotle contemplated that every object has two uses: the original purpose for which the object was designed and as an item to sell or barter.

Many items were exchanged or 'bartered' in ancient markets; these included not only livestock and grain for the sustenance of life but also attractive items such as shells or beads. But this method was not always effective, for example, a hunter had to find someone who not only wanted the animal skin in his possession but also could offer something in return that the hunter wanted.

Finding people to barter with proved to be a time-consuming process and this factor is most likely the driving force in the creation of a more reliable and efficient system, the monetary systems.

COIN-AGE:

TIMELINE: 2ND CENTURY BC

Most Empires using coinage had several tiers of coins made of copper, silver, and gold serving different purposes. Gold coins were most valuable and were used for large purchases among the royals and for military purposes. Silver coins were used for mid-sized deals, while copper, silver or some mixtures of them were used for everyday purchases.

Coins were an integral part of trade flowing in the market, however, the major problems of storing, manufacturing and shipment of precious metals could not be addressed, bringing us to the next phase of currency, the paper currency.

PAPER CURRENCY:

TIMELINE: 7TH CENTURY AD

Europe was still using coins up to the 16th century, which was helped along by acquisitions of precious metals from colonies by subjecting them to taxes and forcing them to give up on their inherited treasures. But it was soon realized that the advantages of paper currency were numerous: it reduced the need to transport gold and silver, which was risky and it also facilitated loans of gold or silver at interest.

Eventually, the banks started using bank notes for depositors and borrowers to carry around instead of coins. Today, almost all countries issue their paper currencies as per monetary requirements and economics, while the government is responsible for the safety and preservation of it.

Sher Shah Suri (1540–1545), introduced a silver coin called a ruپیya, weighing 178 grains. Its use was continued by the Mughal rulers. The history of the rupee traces back to Ancient India circa 3rd century BC. Ancient India was one of the earliest issuers of coins in the world, along with the Lydian Empire. The term is coined from rūpya, from Sanskrit rūpa meaning 'beautiful form'.

Source: Wikipedia



PLASTIC MONEY AND DIGITAL WALLET:

TIMELINE: 20TH CENTURY AD

The 20th century was a glorious period in terms of monetary transactions and finances. As paper money established its place in economics, a new market started gaining momentum, the plastic money. "Charg-it" was the first bank to issue the plastic/credit card and was issued in 1946. It's not the actual money but a card, credit or debit, made of plastic, used to deposit or withdraw money, through banks directly or ATMs.

The advancement of computer technology in the secondary part of the twentieth century allowed money to be represented digitally. By 1990, in the United States, all money transferred was converted to electronic form. By the beginning of the 2000s, most money was digital currencies in newly developed banks databases. Online banking via computers migrated to smartphones and now multiple digital lending, financing, and investment can be done via apps specially designed to handle all your money matters.

Since Bitcoin's inception in 2008, thousands of other crypto-currencies have been introduced; this has brought about a digital transformation that seems to see no stop. With a constant demand for businesses to trade quickly, innovations in digital wallets have made life incredibly accessible.

CONCLUSION:

WHY IS BAJAJ FINSERV YOUR RELIABLE FINTECH PARTNER?

Despite much advancement, money still has a very substantial and unchanging effect on how we do business today. With Bajaj Finserv, we understand that every individual is different and so are their needs, hence we strive hard for you to have the best financing, lending, insurance, and investment partner round-the-clock.

Bajaj Finserv is an exclusive online supermarket for all your personal and financial needs like loans, insurance, investment, and EMI store, all under one roof. So why wait, contact us for more information today!

WHAT IS BAJAJ FINSERV?

A passionate focus on customer centricity has driven us to create a One-Stop digital marketplace providing solutions for retail and SME customers across their life cycle, by offering financing, asset protection, family protection, savings, wealth management and retirement solutions.

