

## FUNCTIONS OF MONEY (ФУНКЦІЇ ГРОШЕЙ)

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*Гроші – це одиниця виміру вартості, платіжний засіб і засіб обміну. У докладі дається характеристика функцій грошей та видів платежу.*

Although the crucial feature of money is its acceptance as the means of payment or medium of exchange, money has other functions. It serves as a standard of-value, a unit of account, a store of value and ft a standard of deferred payment.

Workers exchange labour services for money. People buy and sell goods in exchange for money. We accept money not to consume it directly but because it can subsequently be used to pay things we do wish to consume. Money is the medium through, which people exchange goods and services.

Trading is very expensive in a barter economy. People must spend a tot of time and effort finding others with whom they can make mutually satisfactory swaps. Since time and effort are scarce resources, a barter economy is wasteful. The use of money - any commodity generally accepted in payment for goods, services, and debts - makes the trading process simpler and more efficient.

Money can also serve as a standard of value. Society considers it convenient to use a monetary unit to determine relative costs of different goods and services. In this function money appears as the unit of account, is the unit in which prices are quoted and accounts are kept.

Money is a store of value because it can be used to make purchases in the future.

Money serves as a standard of deferred payment or a unit of account over time.

A token money is a means of payment whose value or purchasing power as money greatly exceeds its cost of production or value in uses other than as money. Society enforces the use of token money by making it legal tender. The law says it must be accepted as a means of payment.

In modern economies, token money is supplemented by IOU money.

An IOU money is a medium of exchange based on the debt of a private firm or individual.