

Banking History Basics

History Of Finance · Practice Test · 12 Questions

1. What was the primary function of the earliest banks in ancient Mesopotamia?

- A) Issuing credit cards
- B) Storing grain and precious metals
- C) Selling insurance policies
- D) Managing stock markets

2. In which country did the first official government-issued paper currency appear?

- A) France
- B) Italy
- C) China
- D) Egypt

3. What is the term for a system where people trade goods directly for other goods without using money?

- A) Barter
- B) Investment
- C) Inflation
- D) Lending

4. During the Middle Ages, what group of people were often the first to set up money-lending businesses in public squares?

- A) Sailors
- B) Farmers
- C) Goldsmiths
- D) Doctors

5. What was the main purpose of the first central banks established in Europe?

- A) To fund wars and manage national debt
- B) To provide free loans to students
- C) To design new coins for collectors
- D) To regulate internet shopping

6. Which precious metal was historically used most frequently to create coins due to its durability and value?

- A) Iron
- B) Lead
- C) Gold
- D) Aluminum

7. What is the name of the organization that oversees a country's currency and money supply?

- A) A local supermarket
- B) A central bank
- C) A private toy store
- D) A village library

8. Before modern banking, where did people often hide their valuable coins to keep them safe?

- A) Under their beds
- B) In bank vaults
- C) In public parks
- D) At the post office

9. What innovation allowed merchants to carry a piece of paper representing money instead of heavy bags of metal coins?

- A) A credit card
- B) A cheque or bill of exchange
- C) A smartphone app
- D) A digital wallet

10. The Medici family was famous for establishing one of the earliest banking systems in which country?

- A) Italy
- B) Australia
- C) Japan
- D) Canada

11. What is a 'deposit' in the context of banking?

- A) Taking money out
- B) Spending money at a shop
- C) Putting money into an account
- D) Borrowing money for a house

12. What is the primary reason banks charge interest on loans?

- A) To pay for the bank's staff and operating costs
- B) To discourage people from buying houses
- C) To make school history tests harder
- D) To store extra metal in the basement