

TEACHER GUIDE

Includes Student
Worksheets



Weekly Lesson Schedule



Student Worksheets



Quizzes & Tests

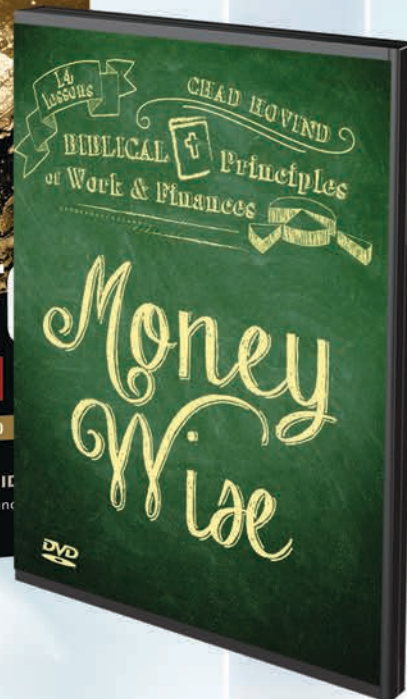
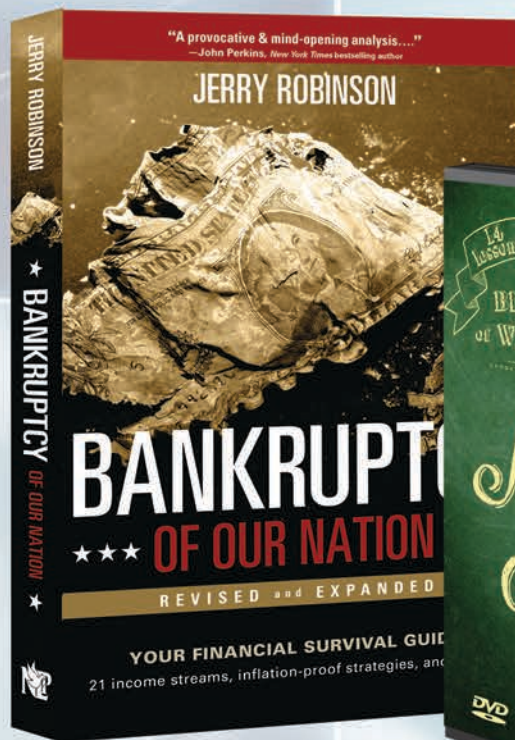


Answer Key

10th–12th Grade

Economics

INTRO TO ECONOMICS: MONEY, HISTORY, & FISCAL FAITH



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Economics

Intro to Economics: Money, History, & Fiscal Faith



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MASTERBOOKS
— CURRICULUM —

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Author Bios:

Jerry Robinson offers you the ultimate financial survival guide in *Bankruptcy of Our Nation*. Robinson, an economist, columnist, and radio host, is featured weekly on Worldnetdaily.com, quoted by *USA Today*, has appeared on Fox News, and has written columns for Townhall and FinancialSense.

Chad Hovind offers a way to take control of your financial future today! Use biblical wisdom to put yourself on a path of stability as you develop a deeper understanding of how the pursuit and management of money impacts your work and faith!

Using This Teacher Guide

Features: The suggested weekly schedule enclosed has easy-to-manage lessons that guide the reading, worksheets, and all assessments. The pages of this guide are perforated and three-hole punched so materials are easy to tear out, hand out, grade, and store. Teachers are encouraged to adjust the schedule and materials needed in order to best work within their unique educational program.

Lesson Scheduling: Students are instructed to read the pages in their book and then complete the corresponding section provided by the teacher. Assessments that may include worksheets, activities, quizzes, and tests are given at regular intervals with space to record each grade. Space is provided on the weekly schedule for assignment dates, and flexibility in scheduling is encouraged. Teachers may adapt the scheduled days per each unique student situation. As the student completes each assignment, this can be marked with an “X” in the box.



Approximately 30 to 45 minutes per lesson, two days a week



Includes answer keys for worksheets, quizzes, semester, and final exams



Worksheets for each chapter



Quizzes are included to help reinforce learning and provide assessment opportunities; optional semester and final exams included



Designed for grades 10 to 12 in a one-year course to earn ½ economics credit

Course Objectives: Students completing this course will

- ✓ Investigate the origins and history of various currencies
- ✓ Become familiar with biblical principles and insights with real-life examples for understanding God’s views on money
- ✓ Identify the historical impact of the Federal Reserve, modern money mechanics, and other issues impacting the current money system in America
- ✓ Learn practical tips for avoiding debt, building your savings, spending wisely, and giving from a heart of grace
- ✓ Study simple guidelines for life and work God meant for us.

Course Description

This is the suggested course sequence that allows one core area of economics to be studied per semester. You can change the sequence of the semesters per the needs or interests of your student; materials for each semester are independent of one another to allow flexibility. Students may want to have a notebook or blank paper handy for questions that require more lengthy responses.

Bankruptcy of Our Nation

The message of this course is one of great hope. Our hope is in knowing which direction the trends are taking us, and to sense God's leading through every step. It is in this knowledge that you will be able to understand the basics of economics and how to make good financial decisions. Despite man's best efforts, God is still in control, and with God, the end is only the beginning. Be prepared to examine in-depth how the purchasing power of our U.S. dollar is declining in value, why the U.S. government continues to print more money, what keeps us endlessly engaged in an expensive and endless global war on terror, why our national debt is at an all-time high and growing exponentially, and ultimately how to break free from the consumption trap in *Bankruptcy of Our Nation*.

Money Wise DVD

Money Wise is a fun, engaging, and fact-filled DVD journey into God's wisdom on work and money.

Throughout *Money Wise*, Chad Hovind explores God's principles, His teachings, and His directions for living a life of liberty, prosperity, and generosity. Chad presents a biblical case for free-market enterprise, and offers God's perspective for the economic decisions of an individual, a family, and even a nation.

Money Wise explains that God wants us to live a life of freedom to serve Him, to provide for ourselves, and to bless others.

Special Note to Parents:

Bankruptcy of Our Nation is written at a high-school age level and beyond. Please be aware of three minor instances in the book that you may want to review before allowing your student, depending on their age and maturity level, to read it. They are:

Page 94: a quote on the page uses a word that some may find offensive

Page 148: this page uses a comparative reference to suicide by firearm

Page 194: in a discussion on American addictions, the word "sex" is used

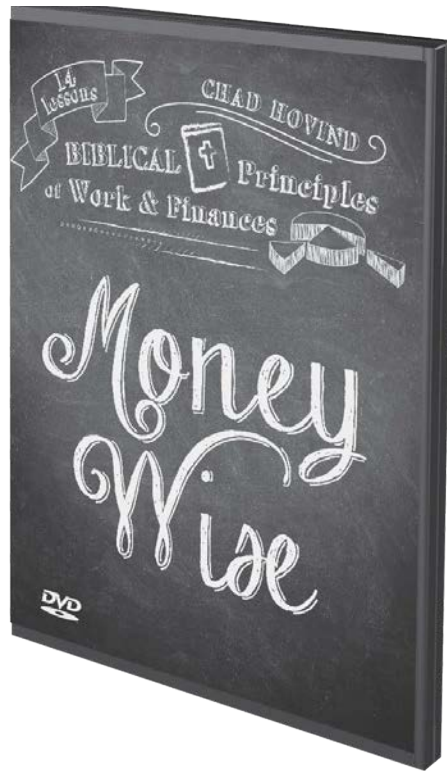
While these instances do not directly impact the context and focus of this curriculum, we feel it is important that parents be made aware of any item that may or may not impact their learner so the parent can make decisions and take action they feel is necessary in that instance. By making parents aware, we seek to insure parents and students are not blindsided by these few references.

First Semester Suggested Daily Schedule

Date	Day	Assignment	Due Date	✓	Grade
First Semester-First Quarter					
Week 1	Day 1				
	Day 2	What Would God Say to Adam Smith? Economics Worksheet 1 • Pages 15–16 • Teacher Guide • (TG) Watch Session 1: Adam Smith • <i>Money Wise</i> DVD • (MW)			
	Day 3				
	Day 4	Session 1: Adam Smith • Economics Worksheet 2 • Pages 17–20 • (TG)			
	Day 5				
Week 2	Day 6				
	Day 7	What Would God Say to John Keynes? Economics Worksheet 1 • Pages 21–22 • (TG) Watch Session 2: John Keynes? • (MW)			
	Day 8				
	Day 9	Session 2: John Keynes • Economics Worksheet 2 • Pages 23–26 • (TG)			
	Day 10				
Week 3	Day 11				
	Day 12	What Would God Say to F.D.R? Economics Worksheet 1 • Pages 27–28 • (TG) Watch Session 3: F.D.R. • (MW)			
	Day 13				
	Day 14	Session 3: F.D.R. • Economics Worksheet 2 • Pages 29–32 • (TG)			
	Day 15				
Week 4	Day 16				
	Day 17	What Would God Say to Alan Greenspan? Economics Worksheet 1 • Pages 33–34 • (TG) Watch Session 4: Alan Greenspan • (MW)			
	Day 18				
	Day 19	Session 4: Greenspan • Economics Worksheet 2 • Pages 35–38 • (TG)			
	Day 20				
Week 5	Day 21				
	Day 22	What Would God Say to Karl Marx? Economics Worksheet 1 • Pages 39–40 • (TG) Watch Session 5: Karl Marx • (MW)			
	Day 23				
	Day 24	Session 5: Karl Marx • Economics Worksheet 2 • Page 41 • (TG)			
	Day 25				
Week 6	Day 26				
	Day 27	Session 5: Karl Marx • Economics Worksheet 3 • Pages 43–44 • (TG)			
	Day 28				
	Day 29	Session 5: Karl Marx • Economics Worksheet 4 • Pages 45–48 • (TG)			
	Day 30				

Date	Day	Assignment	Due Date	✓	Grade
Week 7	Day 31				
	Day 32	What Would God Say to the I.R.S.? Economics Worksheet 1 • Page 49–50 • (TG) Watch Session 6: The I.R.S. • (MW)			
	Day 33				
	Day 34	Session 6: The I.R.S. • Economics Worksheet 2 • Pages 51–54 • (TG)			
	Day 35				
Week 8	Day 36				
	Day 37	Money Wise Sessions 1-6 • Quiz 1 • Pages 187–188 • (TG)			
	Day 38				
	Day 39	Project Economics Worksheet 1 • Page 55–56 • (TG)			
	Day 40				
Week 9	Day 41				
	Day 42	Whistle While You Work Economics Worksheet 1 • Page 57 • (TG) Watch Session 7: Work • (MW)			
	Day 43				
	Day 44	Session 7: Work • Economics Worksheet 2 • Pages 59–62 • (TG)			
	Day 45				
First Semester-Second Quarter					
Week 1	Day 46				
	Day 47	Whistle While You Profit Economics Worksheet 1 • Pages 63–64 • (TG) Watch Session 8: Profit • (MW)			
	Day 48				
	Day 49	Session 8: Profit • Economics Worksheet 2 • Pages 65–70 • (TG)			
	Day 50				
Week 2	Day 51				
	Day 52	Whistle While You Lead Economics Worksheet 1 • Pages 71–72 • (TG) Watch Session 9: Lead • (MW)			
	Day 53				
	Day 54	Session 9: Lead • Economics Worksheet 2 • Pages 73–76 • (TG)			
	Day 55				
Week 3	Day 56				
	Day 57	Whistle While You Rest Economics Worksheet 1 • Page 77 • (TG) Watch Session 10: Rest • (MW)			
	Day 58				
	Day 59	Session 10: Rest • Economics Worksheet 2 • Pages 79–82 • (TG)			
	Day 60				

Date	Day	Assignment	Due Date	✓	Grade
Week 4	Day 61				
	Day 62	Session 10: Rest • Economics Worksheet 3 • Pages 83–86 • (TG)			
	Day 63				
	Day 64	Session 10: Rest • Economics Worksheet 4 • Pages 87–88 • (TG)			
	Day 65				
Week 5	Day 66				
	Day 67	Whistle While You Give Economics Worksheet 1 • Pages 89 • (TG) Watch Session 11: Give • (MW)			
	Day 68				
	Day 69	Session 11: Give • Economics Worksheet 2 • Pages 91–96 • (TG)			
	Day 70				
Week 6	Day 71				
	Day 72	Whistle While You Manage Economics Worksheet 1 • Page 97 • (TG) Watch Session 12: Manage • (MW)			
	Day 73				
	Day 74	Session 12: Manage • Economics Worksheet 2 • Pages 99–104 • (TG)			
	Day 75				
Week 7	Day 76				
	Day 77	Whistle While You Spend Economics Worksheet 1 • Pages 105–106 • (TG) Watch Session 13: Spend • (MW)			
	Day 78				
	Day 79	Session 13: Spend • Economics Worksheet 2 • Pages 107–112 • (TG)			
	Day 80				
Week 8	Day 81				
	Day 82	Boaz: Whistle While You Serve • Watch Session 14: Boaz • (MW)			
	Day 83				
	Day 84	Common Sense Economics Sessions 7–14 Quiz 2 • Pages 189–190 • (TG)			
	Day 85				
Week 9	Day 86				
	Day 87	Economics Sessions 1-14 • Test • Page 197–198 • (TG)			
	Day 88				
	Day 89	Project Economics Worksheet 2 • Pages 115 • (TG)			
	Day 90				
		Mid-Term Grade			



Economic Worksheets
for Use with
***Money Wise* DVDs**



Soak in the Sure Sayings

“The natural effort of every individual to better his own condition . . . is so powerful a principle, that it is alone capable of carrying on the society to wealth and prosperity . . . surmounting a hundred obstructions with which the folly of human laws too often encumbers its operations. The drive for greater government regulation is the drive toward increased poverty, unemployment, and the loss of liberty.”

—Adam Smith*

Introduction

In this first session of *Godonomics*, you will learn the basics of capitalism, profit, and work. You’ll discover that the father of modern capitalism was a Christian named Adam Smith who showed how God’s principles of liberty, prosperity, and generosity could change an individual, a family, and even a national economy — and it sure did! As his principles were applied, a wave of prosperity washed across Europe and spilled into America in the 1800s. We’ll see that profit truly is a gift from God when it is focused on meeting others’ needs rather than personal greed.

Many employers today are finding that many lack the proper business skills to launch from college into the work force. Session 1 covers some basics of running a business and how to pay employees and set up pay scales in your company in a way that pays people fairly, not equally.

In addition, this session gives us an example of how to teach our kids a strong work ethic and eliminate the entitlement attitude that keeps our kids and our society from experiencing their full potential. If you’ve ever felt the strain of a family member who is mooching off you, this chapter helps you understand that there are times to help those in need and times not to enable others’ bad behavior.

Matthew 25:26–28

But his lord answered and said to him, “You wicked and lazy servant, you knew that I reap where I have not sown, and gather where I have not scattered seed. So you ought to have deposited my money with the bankers, and at my coming I would have received back my own with interest. Therefore take the talent from him, and give it to him who has ten talents.”

Proverbs 31 sums up how a good economy works: The Proverbs 31 woman begins by finding a vineyard that produces. She profits from it. Then from her savings, she invests in another vineyard, allowing her to give to the poor and needy, hire more workers, and spend. This Bible passage demonstrates the power of the free market — affirming property rights, incentive, and freedom.

Share in Prayer

See the Godly Perspective

Is profit a good thing or a bad thing? Since God offered his wisdom on so many subjects, doesn’t it make sense that He’d offer wisdom on principles of economics, too? Let’s look at our own finances from God’s perspective. Is God in control of them? On a national scale, in the time it will have taken you to read this sentence, the United States national debt will have increased by about \$200,000. Surely, runaway debt is not a result of godly principles. How different would things be if we instituted *Godonomics* at every level of society?

* *The Wealth Of Nations*, Book IV, Chapter V, Digression on the Corn Trade, p. 540, para. b 43.; www.adamsmith.org/; “What Would God Say to Adam Smith?”, *Godonomics* DVD.

Search For Truth

In this first session, notice the failure of socialism's early experiment in America's history. Note how a centralized approach to economics is both inefficient and unscriptural. Learn what source Adam Smith turned to for direction when socialism failed.

Throughout history, Christ's followers have succeeded in many areas where others have failed, including financial endeavors, simply by following God's Word. Watch for God's foundational sequence laid out in this first session of Production, Profit, and Savings. This approach to capitalism stands in stark contrast to the consumer-based approach commonly accepted today. *Godonomics* is all about following God's order in finances which leads to greater ability and freedom to serve God, to provide for ourselves, and to bless others. A reoccurring theme throughout our study will be that God desperately wants us to experience liberty, prosperity, and generosity. Let's delve into the first principles of *GODONOMICS* — the Gift of Work, and the Gift of Profit!

2 Thessalonians 3:7–9

For you yourselves know how you ought to follow us, for we were not disorderly among you; nor did we eat anyone's bread free of charge, but worked with labor and toil night and day, that we might not be a burden to any of you, not because we do not have authority, but to make ourselves an example of how you should follow us.

Start the DVD Session 1

(32 minutes)



1. When he landed in America, Governor _____ tried an experiment in socialism that ended in disaster.

Three components of capitalism are:

2. _____
3. _____ (or liberty)
4. and _____.

In 1776, Adam Smith, the Father of Modern Capitalism, wrote a book entitled (5.) _____ which included godly principles of capitalism that eventually influenced the structure of the U.S. economy.

God wants us to experience

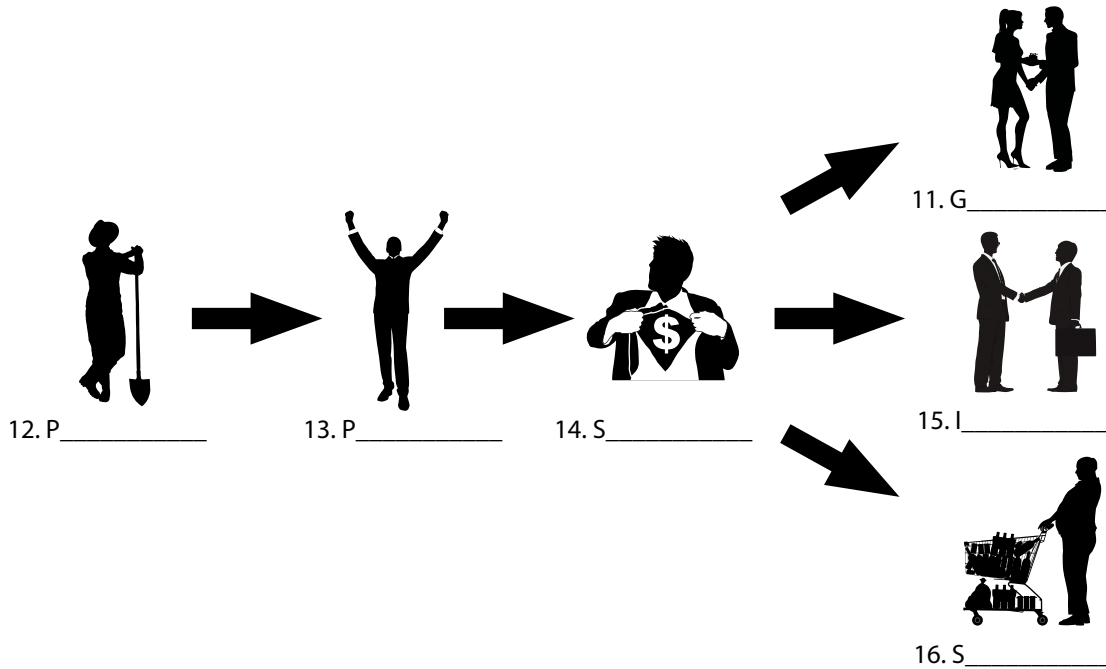
6. _____
7. _____
8. _____

I.

9. The Gift of _____.
 - Work is from God: Genesis 2:15
 - Work for God: Colossians 3:23–24
 - Work for self-sufficiency to bear your own load: Galatians 6:4–5
 - Work is mandated in 2 Thessalonians 3:7–12, affirming the components of capitalism.

10. The Gift of _____.

The Six Stages of *Godonomics*



Proverbs 31

She considers a field and buys it; from her profits she plants a vineyard. . . . She perceives that her merchandise is good, and her lamp does not go out by night. . . . She extends her hand to the poor, yes, she reaches out her hands to the needy. . . . And does not eat the bread of idleness. . . . Give her of the fruit of her hands. . . .

Treat and pay people 17. _____, not 18. _____.

“The drive for greater government regulation is a drive toward increased

19. _____, 20. _____, and the loss of

21. _____.”

God the father loved us so much, that He sent His son, Jesus Christ, to earth to die for us. As a believer in Jesus Christ, we are 22. _____ 23. _____ with Him to all the riches of a loving Heavenly Father!

(Romans 8:17 “And if children, then heirs — heirs of God, and joint-heirs with Christ. . . .”)

Settle the Discussion Questions

1. What are three primary elements of *Godonomics*-style capitalism, and how might each of them facilitate a more prosperous and Christian lifestyle?
2. Socialism seeks to control and intervene in the economy to treat people equally, but how might *laissez-faire* — free market capitalism — be a better system, and in what way might a government-run economy be contrary to Scripture?
3. What is *Godonomics*? What are the steps an individual should follow concerning their finances according to this model?

Study the Summary Statements

When we follow God's rules and model for economics, we will work as unto the Lord, yielding a profit. In turn, we will be able to give and to invest. In Proverbs 13:22, the Bible tells us, "A good man leaves an inheritance to his children's children." In reality, this is no magic potion. *Godonomics* is not a get-rich-quick scheme. It is a set of godly principles in which one is not enslaved to debt. Income is real profit, something more than just a means to make the monthly payments. When *Godonomics* is applied on a national scale, the national economy, too, is as prosperous as the laborers and investors are willing to labor to produce. Protecting property rights and seeking limited government allows the incentives of honest profits to reward those who take the initiative.

2 Thessalonians 3:10–12

For even when we were with you, we commanded you this: If anyone will not work, neither shall he eat. For we hear that there are some who walk among you in a disorderly manner, not working at all, but are busybodies. Now those who are such we command and exhort through our Lord Jesus Christ that they work in quietness and eat their own bread.

Instilling these principles of investing, saving, and working in our children is also important. We need to train our children to seek fair reward for their labors — not equal benefits.

Throughout history, God has blessed individuals and nations who worked hard for their profit and honored Him with their increase. We can be assured that everyone has their own work interest at heart. However, when yielded to God, our labor can lead to prosperity and greater generosity, promoting both self-sufficiency and the ability to give and meet the needs of society as the Lord leads. These principles form the bedrock of *Godonomics*.

Show Support

Read each of the following sentences and the verses that go with them. After you've read all eight, discuss the following questions.

As a whole, how would society be better if we followed God's principles of work?

Which of the employee/employer commandments stand out to you?

What the Bible says to an employer:

1. Serve, not "use," my employees by paying them fairly (Matthew 20:26).
2. Hold my employees accountable (Matthew 16:27).
3. Pay my employees fairly and promptly (Malachi 3:5; Deuteronomy 24:14–15).
4. Work like God is your boss (Colossians 3:23–24).

What the Bible says to an employee:

1. Work hard and diligently (Ecclesiastes 9:10).
2. Work honestly by not cheating your boss (Daniel 6:4).
3. Don't be lazy (2 Thessalonians 3:10).
4. Work like God is your boss (Colossians 3:23–24).

Scripture to Savor

2 Thessalonians 3:8–10

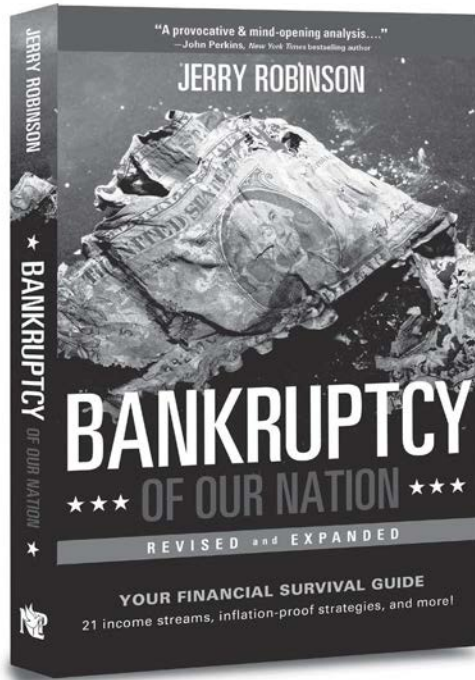
. . . nor did we eat anyone's bread free of charge, but worked with labor and toil night and day, that we might not be a burden to any of you, not because we do not have authority, but to make ourselves an example of how you should follow us. For even when we were with you, we commanded you this: If anyone will not work, neither shall he eat.

“So . . . What Would God Say to Adam Smith?”

Who's your barber?

Work, property rights, and incentives are blessings from Me.

— God



Economic Worksheets
for Use with
Bankruptcy of Our Nation



It has been said that
while history may never truly repeat,
it does at least rhyme.

Write a summary of the Introduction. Highlight the points important to the author, but also highlight the points that are of most interest to you.



Write a summary of chapter 1. Highlight the points important to the author, but also highlight the points that are of most interest to you.



Short Answers

What three factors has the author found that determine an individual's view of money?

- 1.
- 2.
- 3.

What four foundational questions need to be answered in order to understand the true impact of the global financial crisis, and how you can prepare yourself and even profit from it?

- 4.
- 5.
- 6.
- 7.

What are the three definitions of money?

- 8.
- 9.
- 10.

11. One of the first civilizations to develop a system of trade with a form of money was ancient _____.

12. Give some examples of commodity money.

13. Describe the goldsmith banking system.

14. What is fractional-reserve banking?
15. What is fiat currency?
16. Describe how money is measured by U.S. economists under the four categories M0, M1, M2, and M3:
17. What exactly is it that gives the U.S. dollar its value?
18. How is paper money different from commodity money?
19. Today, all global currencies are issued by _____ and are controlled by an arrangement between governments and their central banks.

Write a Report

Write an essay on money. What is money? What gives money value? Compare and contrast the types of money used by countries around the world and how it is valued. Ask for permission before using the Internet for research.



Write a summary of chapter 2. Highlight the points important to the author, but also highlight the points that are of most interest to you.

Quizzes and Tests Section

**Questions (4 Points Each Question)**

Three components of capitalism are:

1. _____
2. _____
3. (Or liberty) and _____.
4. Capitalism does not eliminate _____, but it neutralizes it.
5. Following John Keynes' economic ideas leads to _____.
6. *Godonomics* is based upon _____.
7. Keynesian economics is based upon _____.
8. Borrowing leads to _____.
9. A good man leaves an _____ to his children's children — Proverbs 15:22.
10. What caused the Great Depression? Deficit _____
11. What brought us out of the Great Depression? _____
12. Governments have no _____.
13. The value of money used to be tied to a _____. In America, the commodity was gold.
14. When President Woodrow Wilson wanted to print more money without getting more gold, he exchanged the commodity of gold for a _____ to make good economic decisions.
15. The Federal Reserve printed more money and therefore _____ the dollar.
16. The illusion of generosity means we measure or define generosity by our own _____ of what we are doing.
17. In America, liberty has led to _____, which has led to generosity.
18. Someone who works all day long, but gets to take home none of his or her income is called a _____.

19. Government doesn't produce; it _____, enslaving us along the way.
20. All government purchases are _____ purchases.
21. The _____ became the motivating symbol to persuade Frenchmen to become a part of the new group and the new equality, because their rights did not come from God. Their rights came from the fraternity.
22. Coercive giving makes us more and more _____, rather than more and more cheerful.
23. _____ does not align with the Democrats nor the Republicans, but rather is a whole new way of thinking about money and economics.
24. President Franklin D. Roosevelt said that "the forgotten man" was the _____.
25. Amity Shlaes correctly demonstrates that the real forgotten man is the _____.



Questions (5 Points Each Question)

Three components of capitalism are:

1. _____
2. _____
3. (or liberty) and _____.
4. Following John Keynes' economic ideas leads to _____.
5. *Godonomics* is based upon _____.
6. Keynesian economics is based upon _____.
7. Borrowing leads to _____.
8. What caused the Great Depression? Deficit _____
9. What brought us out of the Great Depression? _____
10. The illusion of generosity means we measure or define generosity by our own _____ of what we are doing.
11. Capitalism is not just a good idea; it's _____ idea.
12. Money is not unproductive or wrong. This idea comes from an old Greek philosophy called _____.
13. Profiting honors God and inspires others. Doing your work with _____, whatever it is, honors God.
14. Enjoy profits without being _____ to them.
15. Leaders balance the two rails of speed and _____.
16. Generosity increases _____.
17. Generosity decreases _____.

18. In the Garden, we meet a God who gives to earth, and heaven; He works, fashions, creates, and gives of _____.

There are two temptations that weaken work: The temptation to

19. _____ and

20. _____.

Answer Keys

Money Wise Worksheet Answer Keys

Session One, Worksheet 2

- 1) William Bradford
- 2) property rights
- 3) freedom
- 4) incentive
- 5) *The Wealth of the Nations*
- 6) liberty
- 7) prosperity
- 8) generosity
- 9) Work
- 10) Profit
- 11) giving
- 12) producing
- 13) profiting
- 14) saving
- 15) investing
- 16) spending
- 17) fairly
- 18) equally
- 19) poverty
- 20) unemployment
- 21) liberty
- 22) joint
- 23) heirs

Discussion Questions: Answers will vary but should be thoughtful and show an understanding of the material.

Session Two, Worksheet 2

- 1) John
- 2) Keynes
- 3) opposite
- 4) socialism
- 5) producing
- 6) consuming
- 7) capitalism
- 8) generosity

- 9) slavery
- 10) nations
- 11) free
- 12) inward
- 13) backward
- 14) forward
- 15) good
- 16) John
- 17) Calvin
- 18) contentment
- 19) pay
- 20) paid

Discussion Questions: Answers will vary but should be thoughtful and show an understanding of the material.

Session Three, Worksheet 2

- 1) over, spending
- 2) borrowing
- 3) borrowing
- 4) budgeting
- 5) tomorrow's
- 6) today
- 7) foolish
- 8) consumes
- 9) wise
- 10) saves
- 11) inheritance
- 12) deficit
- 13) spending
- 14) God's
- 15) laws
- 16) spending
- 17) producing
- 18) vision
- 19) diversifying
- 20) presume

Bankruptcy of Our Nation — Worksheet Answer Keys

Introduction, Worksheet 1

Summary—The student's summary will vary but should show the chapter has been read and the student understands the material.

Introduction, Worksheet 2

- 1) debtor
- 2) entitlement
- 3) reckoning
- 4) overconsumption
- 5) debt
- 6) decrease
- 7) oversight
- 8) 1971
- 9) Congress
- 10) energy
- 11) These nations have progressed through the following sequence:
from bondage to spiritual faith,
from spiritual faith to great courage,
from courage to liberty,
from liberty to abundance,
from abundance to selfishness,
from selfishness to complacency,
from complacency to apathy,
from apathy to dependency,
from dependency back to bondage.
- 12) God
- 13) omnipotent

Chapter One, Worksheet 1

Summary—The student's summary will vary but should show the chapter has been read and the student understands the material. Some of the following points should be included:

- Our own personal view of money is shaped and influenced by three factors: 1) the economic system we are born into, 2) our family's financial philosophy, and 3) our instilled spiritual and moral values.
- Money is morally neutral. It can be used for

positive or negative reasons. Financial morality is found in the intentions of the user, not in the money itself.

- Three forms of money have been used throughout history: 1) commodity money, 2) receipt money, 3) fiat money
- Commodity money took the form of exchangeable commodities, often with intrinsic value such as salt, livestock, and crops.
- Along with the advance of civilizations came the need for a form of money that was relatively scarce, portable, easily divisible, and durable.
- Precious metals, such as gold and silver, fit all of these requirements, making them the obvious choice.
- Over time, goldsmith banking allowed individuals a safe place to store their gold in exchange for a paper receipt that was considered as "good as gold."
- These paper receipts, or receipt money, were extremely popular due to their ease of use.
- The governing authorities eventually saw a need to monopolize the money-creation process in order to ensure economic stability.
- This government intervention led to the rise of central banks and fiat monetary systems that have ultimately proven to be disastrous.
- Fiat money has no intrinsic value. Instead, its value is derived from legal tender laws and a public perception that the monetary authorities will keep it in a limited supply.
- Today, every currency on the planet is considered to be fiat.

Chapter One, Worksheet 2

- 1) the economic system into which the person is born.
- 2) the financial philosophy espoused by his family
- 3) their religious and moral understanding of life itself.
- 4) What is money?
- 5) How is money measured?

- 6) What gives money its value?
- 7) If money can be printed to prevent a financial crisis, why not just print more?
- 8) Money is . . . a medium of exchange
- 9) Money is . . . a store of value
- 10) Money is . . . a unit of account
- 11) Sumer
- 12) spearheads, shells, feathers, and salt.
- 13) Under the goldsmith banking system, which became popular in 17th-century England, a person would simply deposit his gold with his local goldsmith. Much like modern banking, the goldsmith would provide the depositor with a paper receipt stating the amount of gold on deposit. If the person wanted to redeem his gold, he simply returned his paper receipt to the goldsmith. (In exchange for this convenience of keeping the gold in a safe place, the town's goldsmith would charge a small monthly maintenance fee.)
- 14) Lending money not currently on deposit.
- 15) When a nation detaches its paper currency system from any and all commodity backing, its currency is then considered by economists to be a fiat currency. When a currency is issued by fiat, it is backed only by government guarantees, not a commodity. Fiat money has no intrinsic value. Its value is derived strictly by government law, and unlike the first two types of money (commodity and receipt) there is no natural limit to the quantity of fiat money that can be produced.
- 16) M0 Money Supply: This measurement includes all coin and paper currency in circulation, as well as accounts at the central bank that can be exchanged for physical currency. This is the narrowest measure of the U.S. money supply and only measures the amount of liquid money in the hands of the public and certain deposits with the Federal Reserve.

M1 Money Supply: This measurement includes everything in M0 as well as currency held in demand deposits (such as checking accounts and NOW accounts) and traveler's checks (which can be liquidated into physical currency).

M2 Money Supply: This category includes everything in M1, plus all of the currency held

in saving accounts, money market accounts, and certificates of deposit with balances of \$100,000 or less.

M3 Money Supply: As the broadest measure of the U.S. money supply, this category combines all of M2 (which includes M1) plus all currency held in certificates of deposit with balances over \$100,000, institutional money market funds, short-term repurchase agreements, and eurodollars (U.S. dollars held in foreign bank accounts).

- 17) Faith in the scarcity of the dollar.
- 18) It has no intrinsic value.
- 19) fiat

Chapter Two, Worksheet 1

Summary—The student's summary will vary but should show the chapter has been read and the student understands the material. Some of the following points should be included:

- Fiat currencies require an enormous amount of faith and trust in the monetary authorities by the public.
- Inflation is defined as an increase in a nation's money supply.
- Hyperinflation occurs when a nation's money supply becomes out of control.
- Every fiat currency devised throughout history has faced the same embarrassing and miserable death: utter collapse by overproduction.
- While the landscape of world history is littered with failed fiat currencies, history is also replete with warnings from our ancestors regarding the inherent dangers of fiat currencies.
- Biblically speaking, fiat currencies are modern versions of "unjust weights" and "false balances."

Chapter Two, Worksheet 2

- 1) Because the future value of a fiat currency is entirely dependent upon the financial wisdom and vigilant oversight of the nation's monetary authorities in keeping the currency in a limited and strictly measured supply.
- 2) The U.S. dollar is not the first fiat currency in history. Every fiat currency devised throughout history has faced the same embarrassing and

Money Wise — Quiz Answer Keys

Quiz 1— Sessions 1–6

- 1) property rights
- 2) freedom
- 3) incentive
- 4) greed
- 5) socialism
- 6) producing
- 7) consuming
- 8) slavery
- 9) inheritance
- 10) spending
- 11) producing
- 12) money
- 13) commodity
- 14) promise
- 15) devalued
- 16) standard
- 17) prosperity
- 18) slave
- 19) consumes
- 20) Third Party
- 21) guillotine
- 22) bitter
- 23) *Godonomics*
- 24) poor
- 25) producer

Quiz 2 — Sessions 7–14

- 1) God's
- 2) Bible
- 3) eat
- 4) dualism
- 5) competence
- 6) pay
- 7) enslaved
- 8) work
- 9) heart
- 10) paycheck
- 11) joy
- 12) quality
- 13) curiosity
- 14) animosity
- 15) generosity
- 16) spiritual
- 17) isolate
- 18) insulate
- 19) successful
- 20) paycheck
- 21) managing
- 22) grind
- 23) moments
- 24) will
- 25) relationships

Bankruptcy of Our Nation — Quiz Answer Keys

Quiz 1 — Chapters 1–6

- 1) debtor
- 2) decrease
- 3) Money is . . . a medium of exchange; Money is . . . a store of value; Money is . . . a unit of account
- 4) Lending money not currently on deposit
- 5) When an increase in a nation's money supply, or inflation, becomes uncontrollable, it is called hyperinflation. Hyperinflation is one of the most dangerous economic problems that can confront a nation as it causes dramatic price increases which eventually cripple the underlying economy.
- 6) nothing

Money Wise — Test Answer Key

- 1) property rights
- 2) freedom
- 3) incentive
- 4) socialism
- 5) producing
- 6) consuming
- 7) slavery
- 8) spending
- 9) producing
- 10) standard
- 11) God's
- 12) dualism
- 13) competence
- 14) enslaved
- 15) quality
- 16) curiosity
- 17) animosity
- 18) generosity
- 19) isolate
- 20) insulate

Bankruptcy of Our Nation — Test Answer Key

- 1) Money is . . . a medium of exchange; money is . . . a store of value; money is . . . a unit of account
- 2) lending money not currently on deposit
- 3) When an increase in a nation's money supply, or inflation, becomes uncontrollable, it is called hyperinflation. Hyperinflation is one of the most dangerous economic problems that can confront a nation as it causes dramatic price increases which eventually cripple the underlying economy.
- 4) the World Bank; the International Monetary Fund (IMF); the World Trade Organization (originally called the General Agreement on Trades and Tariffs, or GATT)
- 5) A petrodollar is a U.S. dollar that is received by an oil producer in exchange for selling oil and that is then deposited into Western banks.
- 6) with the establishment of the Federal Reserve Banking System on December 23, 1913
- 7) The U.S. dollar would be linked to gold at a pre-determined fixed rate of \$35 per ounce. In turn, all other currencies were then pegged to the dollar, as it was viewed as being as "good as gold." This immediate convertibility from U.S. dollars into a fixed amount of gold brought much-needed economic relief and helped to restore confidence in the global financial markets.
- 8) First, they encourage borrowing by creating "cheap" money through a reduction in interest rates, which increases the overall money supply. Then the central bank raises interest rates, leading to credit defaults, foreclosures, and bankruptcies. This allows the bankers to purchase properties, businesses, and smaller banks for "pennies on the dollar."
- 9) Under the goldsmith banking system, which became popular in 17th-century England, a person would simply deposit his gold with his local goldsmith. Much like modern banking, the goldsmith would provide the depositor with a paper receipt stating the amount of gold on deposit. If the person wanted to redeem his gold, he simply returned his paper receipt to the goldsmith. (In exchange for this convenience of keeping the gold in a safe place, the town's goldsmith would charge a small monthly maintenance fee.)
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