The role of money and financial markets – GCSE Economics Paper 2

1. No.4

'If inflation is low, the money saved today can be used at a later date with no significant reduction in its purchasing power.'

Which function of money does the above statement most closely relate to?

[1 mark]

A Means of deferred payment ⬭

B Medium of exchange ⬭

C Store of value ⬭

D Unit of account ⬭

2. No.11

State **two** factors that may influence the rate of interest charged by banks lending money.

[2 marks]

Factor 1 ______________________________

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Factor 2 ______________________________

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3. No.17

Explain **one** role of a commercial bank.

[2 marks]

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