

How much do you know about money?

TRY THE MONEY QUIZ!

(Tick alongside your chosen answer.)

1. Who creates most (97%) of the money in Britain?

- a) The Bank of England
- b) The World Bank
- c) The European Central Bank
- d) The 'High St' banks

2. What is the definition of legal tender?

- a) Money used to pay a solicitor.
- b) Money that shops must accept.
- c) Money that cannot be refused by a creditor.
- d) Gold or silver coins.

3. What is the highest rate of interest (APR) that the law allows on lending?

- a) 33.3 %
- b) 55 %
- c) 110 %
- d) There is no upper limit.

4. What is seigniorage?

- a) The signature on a bank-note.
- b) The profit on the creation of money.
- c) An elderly Italian banker.
- d) The gold reserves of the Bank of England.

5. When did the pound sterling cease to be backed by gold?

- a) 1931
- b) 1946
- c) 1971
- d) It still is backed by gold.

6. How much of Britain's money consists of notes and coins?

- a) 3%
- b) 30%
- c) 65%
- d) 100%

7. How much total personal debt is there in Britain today?

- a) £1 billion
- b) £10 billion
- c) £100 billion
- d) £1000 billion

8. What direct control does the government have over the money supply?

- a) Through the Bank of England note issue.
- b) None at all.
- c) Through the Chancellor's annual Budget.
- d) Through the Bank Act (1988).

9. What is the maximum amount of its deposits that a bank can lend out?

- a) 85%
- b) 100%
- c) 250%
- d) More than 1000%

10. What is the approximate value of the National Debt for each British adult?

- a) £100
- b) £1000
- c) £10 000
- d) £100 000

The Money Quiz is offered as a means raising the matter of money creation in an entertaining and light-hearted fashion. Lots of people like to test their knowledge with quizzes. This one might make them think about things they have never considered before.

Answers 1 d, 2 c, 3 d, 4 b, 5 a, 6 a, 7 d, 8 b, 9 d, 10 c.