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In order to understand the financial crisis that the world has gone through you have to understand what is money, so I started. I'm going to look into the banks' loan and borrow money. Then check out the crucial role played in the bond market, which can be used by governments and companies the money to cover expenses. Then, explain the financial relationship between a government that is spent, and money, and the Central Bank, which helps them to do.

Finally, look at how and why changes in the economic environment of the world experienced a series of financial crises. Money, currency, currency exchange rates represents money that the government control them. The United States is the dollar, the euro-area governments, the Euro-17, China is at Rimini, in the UK is important.

The euro is an anomaly, because no government does not control (more about that later). Within a country (or in the case of the euro zone), there is an understanding of money in circulation. The amount depends on the definition of money that is used.

M0, the narrowest definition of the many: that the total amount in that currency notes and coins are the owner of all persons and organizations, either the ministry or safes, including the United Kingdom, the safes of banks. Other definitions of money, such as bank deposit accounts, savings account deposits of banks and other institutions, and time deposits, overnight only at a specified time. The money in the currency of a given commodity (such as copper, wheat, oil, gold), which can be bought or sold in another currency at a rate determined by the market.

As with any commodity, the price is higher if you are buying, as if you're selling. Thus, banks can quote the price $ 1. 6 / GBPound pounds and buy dollars at $ 1.

5 / GBPound selling dollars in exchange for pounds. The existence of cash and money market trading in goods and services makes it easy to keep and increase the welfare of individuals and nations. Without money, there would be no brake on the transactions.

For example, a bricklayer, who wanted to buy a pair of shoes should find a shoe manufacturer, who wanted to be layed down a few bricks (called barter process). If they can not find each other in both the poor. Because money is the mason laying bricks, anyone can earn money and buy goods and services to anyone who got what he wanted.

Lending, borrowing, commercial banks before receiving money as payment for goods and services, individuals will start to pile of banknotes and coins. They need a bank to keep it safe until you are ready to take advantage of it. Some owners of money, have more money than they need, while others are not.

So it will be useful for some people agree that people lend money to the other. Only the money contentproz review lubricates the exchange of goods and services between buyers and sellers, so the banks will lubricate the use of money, which brings together lenders and borrowers

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