

Ordinal Numbers /Money

Understanding ordinal numbers and types of money is essential in economics. Ordinal numbers help rank data, such as financial performance or transaction orders, while knowledge of money types supports clear communication about currencies and financial systems. These skills are critical for analyzing economic trends and making informed decisions.

Ordinal Numbers

What Are Ordinal Numbers?

Ordinal numbers are numbers that show the position or rank of something in a sequence or list. They help us to understand **order** or **position** rather than the quantity.

<ul style="list-style-type: none"> • 1st (First) • 2nd (Second) • 3rd (Third) • 4th (Fourth) • 5th (Fifth) • 6th (Sixth) • 7th (Seventh) • 8th (Eighth) • 9th (Ninth) • 10th (Tenth) 	<ul style="list-style-type: none"> • 11th (Eleventh) • 12th (Twelfth) • 13th (Thirteenth) • 14th (Fourteenth) • 15th (Fifteenth) • 16th (Sixteenth) • 17th (Seventeenth) • 18th (Eighteenth) • 19th (Nineteenth) • 20th (Twentieth) 	<ul style="list-style-type: none"> • 30th (Thirtieth) • 40th (Fortieth) • 50th (Fiftieth) • 60th (Sixtieth) • 70th (Seventieth) • 80th (Eightieth) • 90th (Ninetieth) • 100th (Hundredth) • 1,000th (Thousandth)
--	---	---

Ordinal numbers are also used in the context of **money** and **financial transactions** to indicate order or ranking.

1. Prize Money:

- In competitions or contests, ordinal numbers can describe the prize distribution.
- **Example:** The 1st place winner receives 1,000 dollars/ The 2nd place winner receives 500 dollars, and the 3rd place winner receives 250 dollars.

2. Banking/Transaction Orders:

- Ordinal numbers can be used when referring to specific transactions in a series or order of payments.
- **Example:** The 5th payment is due on the 10th of December.

3. Ranking of Financial Products:

- Ordinal numbers can rank different types of investments or savings options based on their performance or importance.

- **Example:** The 1st option for saving is a fixed deposit, and the 2nd is a savings account.

4. Economics and Financial Reports:

- Ordinal numbers can rank countries, companies, or financial products by their performance, like market share, profit, etc.

- **Example:** The 3rd largest company in the world by revenue is Walmart.

Money

Definition of Money :

Money is something people use to buy things and pay for services. It helps measure the value of goods and services and makes trading easier. Money can be saved for the future and is accepted by everyone in a society. It's useful because it's easy to carry, divide into smaller amounts, and use in everyday transactions.

Types of Money

1. Commodity Money

Commodity money is money that is made up of a valuable item, where the value is based on the material itself. Historically, items such as gold, silver, or livestock were used as money.

- Examples:

- **Gold coins or gold bars/Silver coins/ Livestock**, like cattle or sheep, in early economies.

2. Fiat Money

Fiat money is money that has no intrinsic value but is declared as legal tender by a government. This is the most common form of money used today . coins, banknotes, and electronic forms of currency.

- Examples:

- **Coins, banknotes ,and electronic forms of currency.**

3. Representative Money

Representative money is a type of currency that represents a claim on a commodity (such as gold or silver) that can be redeemed. Historically, this type of money was backed by a physical commodity.

- Examples:

- **Gold certificates:** Paper currency that could be exchanged for a specific amount of gold.
- **Silver certificates :** A type of paper currency that was backed by silver.

(Note: Representative money is less common today but was important in earlier economic systems.)

4. Electronic Money (E-money)

Electronic money refers to money that exists in digital form and is stored and transferred electronically. This can include money in online accounts, digital wallets, or prepaid cards.

- Examples:

- **Bank account transfers:** Moving money from one bank account to another through online banking.
- **Digital wallets:** Services like **Apple Pay**, **Google Wallet** or **Baridimob** in Algeria, which store and transfer money electronically.
- **Prepaid cards :** Cards like **Visa** or **MasterCard** prepaid cards, which can be loaded with money and used for purchases online or in stores.

5. Cryptocurrency

Cryptocurrency is a digital or virtual form of money that uses cryptography for security and operates on decentralized networks called blockchains. It is not controlled by any government or financial institution.

- Examples:

- **Bitcoin (BTC):** The first and most widely known cryptocurrency.
- **Ethereum (ETH):** Another popular cryptocurrency, often used for decentralized applications.
- **Litecoin (LTC):** A peer-to-peer cryptocurrency similar to Bitcoin but with different transaction protocols.

(Note: Cryptocurrencies are not accepted as legal tender in many countries, including Algeria, but can be used for online purchases or investments.)

6. Bank Money (Deposit Money)

Bank money refers to money that is created through bank deposits, such as checking or savings accounts, and is used for electronic transactions. This form of money is not physical but exists as digital balances in accounts.

- Examples:

- **Checking accounts:** Funds in bank accounts that can be accessed using checks or debit cards.
- **Savings accounts:** Deposits in a bank that earn interest and can be used to make withdrawals.
- **Wire transfers :** Sending money electronically from one bank account to another

7. Central Bank Digital Currency (CBDC)

A Central Bank Digital Currency (CBDC) is a form of digital money issued by a country's central bank. It represents a digital version of the national currency and is fully backed by the government.

- Examples:

- **Digital yuan (China):** China's central bank has launched a digital currency called the digital yuan, which is used for transactions in China.
- **Digital euro (European Union):** The EU is exploring the creation of a digital version of the euro to complement physical currency.

(Note: CBDCs are still being explored and are not widely available in most countries as of now.)

8. Foreign Currency

Foreign currency refers to money that is used in countries other than your own. It is exchanged for the local currency and can be used for international trade or travel.

- Examples:

- **US Dollar (USD):** The currency of the United States.
- **Euro (EUR) :** The currency used by most countries in the European Union.
- **British Pound (GBP):** The currency of the United Kingdom

Personal Finance Basics

Personal Finance

Personal finance is how people manage their money. This includes how much money they make, how much they spend, how much they save, and any investments they may have.

Key Terms in Personal Finance:

1. Income

- Income is the money you earn, usually from a job. It's the money you receive regularly, like every month.

2. Expenses

- Expenses are things you spend money on. Everyone has expenses for things like food, rent, transportation, and entertainment.

3. Saving

- Saving is putting money aside for future use or emergencies. Saving helps people be prepared for unexpected expenses or large purchases, like a vacation or a new phone.

4. Budgeting

- A budget is a plan for how to use your income wisely. A budget shows how much money you have, what you need to spend it on, and how much you want to save.

5. Investing

- Investing is using money to make more money. People invest by buying things like stocks, starting a business, or buying property that increases in value over time.

A: "I've been trying to save more money, but it's hard with all the expenses."

B: "I understand. The first step is to track your spending. If you know where your money is going, it's easier to save."

A: "That's a good idea. Should I set a specific savings goal?"

B: "Yes, try saving at least 20% of your income. It's also good to set up automatic transfers to a savings account."

A: "And what about paying off debt?"

B: "Pay off high-interest debt first, like credit cards. After that, you can focus on saving more or investing for the future."

A: "Thanks! I'll try to start with tracking my spending."