

MONEY AND THEIR FUNCTIONS IN MODERN CONDITIONS

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Currently, the topic of money stands as the most significant one matter not only for nations and states but also for individual enterprises and individuals themselves.

Money serves as a means to facilitate exchanges, rendering exchanges in the form of commodities and money: C-M-C, where C represents commodities and M signifies money. Money embodies a distinct and versatile commodity suitable for payments, calculations, and exchange for various goods and services [1].

The application of monetary resources and the intricate dilemmas intertwined with it hold a pivotal role within the operations of economic agents, encompassing not only individual enterprises and citizens but also distinct governmental bodies and nations. Esteemed scholars across diverse fields such as philosophy, history, psychology, and economics devote special attention to examining this paramount issue. Money serves as a fundamental component within the economic life of society and in the relationships among the participants in the processes of reproduction. Money is an essentially integral part of every country. Dollars, euros, francs, rubles, pounds – all these function as a means of payment, accumulation, and circulation. Money stands as a unique tool devised by humans.

Money, despite its positive attributes, carries a downside. Its profound impact on individuals, both beneficial and detrimental, is significant. Overabundance in certain nations can lead to inflation, while some individuals succumb to excessive greed due to its influence.

To tackle the challenges associated with money, governments must carefully regulate its production, and individuals should exercise prudence in earning and spending it.

In today's world, money reigns supreme as an indispensable means for survival. Its significance is paramount, especially in economic discourse, where theories are intricately woven around its essence. The evolution of the economic landscape introduces novel forms of money, streamlining transactions and enhancing overall quality of life [2].

Price, the measurement of goods in monetary terms, is determined by the labor invested in their production and sale, as dictated by societal norms.

The movement of prices adheres to the law of value. Prices are shaped within the marketplace and fluctuate based on the equilibrium between supply and demand, influenced by both the value of goods and the value of currency. When market dynamics fail to match supply with demand, prices deviate from their intrinsic worth, signaling imbalances in production to producers.

Price serves not only as a means to compare labor products but also as fractions of a specific monetary commodity, such as silver or gold. To standardize prices across goods of differing values, they are converted into a common monetary unit.

This standard, often rooted in a metal currency, acts as a benchmark for pricing goods. Money possesses various functions encompassing stability, resilience, and constancy.

In a gold-based system, the pricing standard was established by equating the monetary unit to a specific quantity of gold.

Money defines itself through its primary functions. The primary functions of money include: measure of value; medium of exchange; means of payment; store of value (savings).

The interconnectedness of these functions underscores the essence of money in contemporary economies. Scholars and experts widely regard it as the bedrock of the global economic framework. Devoid of money, the very foundation of economy, production, and industry would crumble, highlighting its status as one of humanity's most seminal inventions.

References

1. Komarova O.V. Economics / O.V. Komarova. – Moscow: Infra-M, 2022. – 196 p.
2. Ministry of Economy of the Republic of Belarus [Electronic resource] – Mode of access: <https://economy.gov.by/ru/>. – Date of access: 20.03.2024.