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THE FUNCTIONS OF MONEY: COMBINING HISTORY WITH POSTMODERNITY

We are going to start our discussion from the detailed definition of the major problem of our theme: What are the functions of money in a postmodern society? We want to point out that the abovementioned question is important both in comparative analysis of the theme and in learning business English [4]. Moreover the main part of learning English in the economic perspective is to acquire the skills of practical knowledge of a foreign language in different types of speech activity in the scope of topics due to professional needs; translation texts in the professional field from the foreign language into the native [5].

The proposed theme was the subject of the problem-based English lesson, so we want to generalize some vital points discussed as a subject matter. There are some basic tasks that money always performed and is still performing in the postmodern age.

The medium of exchange. Money's most important function is as a medium of exchange to facilitate transactions. Without money, all transactions would have to be conducted by barter, which involves direct exchange of one good or service for another. The difficulty with a barter system is that in order to obtain a particular good or service from a supplier, one has to possess a good or service of equal value, which the supplier also desires. In other words, in a barter system, exchange can take place only if there is a double coincidence of wants between two transacting parties. The likelihood of a double coincidence of wants, however, is small and makes the exchange of goods and services rather difficult [6]. Money effectively eliminates the double coincidence of wants problem by serving as a medium of exchangethat is accepted in all transactions, by all parties, regardless of whether they desire each others' goods and services.

The use of money as a medium of exchange makes possible a great extenuation of the principle of specialization [1]. In an advanced society the use of money allows us to exchange hours of labour for an amazing variety of goods and services. Such exchanges are taken for granted yet they would be inconvenient without the use of money.

The medium of value and unit of account. The first step in the use of money was probably the adoption of some commodity as a unit of account or measure of value. Money, most likely, came into use within the barter system as a means where by the values of different goods could be compared [3]. The direct exchange of goods for goods would raise all sorts of problems regarding valuation. The problem of exchange rates is easily solved when all other commodities are valued in terms of a single commodity which then acts as a standard of value. Money now serves as such a standard and when all economic goods are given money values (i.e. prices), we know, immediately, the value of one commodity in terms of any other commodity [1].

Money also functions as a unit of account, providing a common measure of the value of goods and services being exchanged. Knowing the value or price of a good, in terms of money, enables both the supplier and the purchaser of the good to make decisions about how much of the good to supply and how much of the good to purchase [2].

Money as a store of wealth. Once a commodity becomes universally acceptable in exchange for goods and services, it is possible to store wealth by holding a stock of this commodity. It is a great convenience to hold wealth in the form of money. Consider the problems of holding wealth in the form of some other commodity, say wheat [3]. It may deteriorate, it is costly to store and there will be significant handling costs in accumulating and distributing it. In addition, its money value may fall when it is being stored. The great disadvantage of holding wealth in the form of money has become very apparent in recent years — during periods of inflation its exchange value falls [6].

Means of making deferred payments. An important function of money in the modern world, where so much business is conducted on the basis of credit, is to serve as a means of deferred payment. When goods are supplied on credit, the buyer has immediate use of them but does not have to make an immediate payment. The goods can be paid for three, or perhaps six, months after delivery. In the case of hire purchase contracts, the buyer takes immediate delivery but pays by means of installments spread over one, two, or three years [6]. The above function is somehow related to the first, as it creates credit and allows transactions to be settled in the future. To be a standard of deferred payment, money must be an accepted way to value and settle a debt in the future [1].

Precious metals as money. Especially in the past, gold and other precious metals have been successfully used as money in many societies. It is due to the following:

- They were a good medium of exchange for transactions settled immediately or in the future, as their value was known, they could be easily divisible, were difficult to counterfeit, and had a high value relative to their weight [3].
- Precious metals are considered a good store of wealth, as they are not perishable goods. However, others would argue that their success as stores of wealth also depended on people's expectations. They are expected to maintain their value because others would keep valuing them in the future due to the expectations that the demand for items, such as jewelry and ornaments, would continue to be strong [2].
- They were good and simple measures of value. Anybody could easily use grams or ounces of gold to measure the price of goods and services [6].

We consider that this research subject is far-reaching. The necessity of continuous study is determined by the importance of the discussed problems [4]. We see the prospects for further comparative investigation in the tools, technology and control principles of monetary policies implementation both in European and Ukrainian dimensions

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