

## **Barter S & E - Reason-Based (Comp. of Sub)**

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**Q.1. Under barter system of exchange, goods are exchanged for goods.**

**Ans.** True. Barter system of exchange is a system in which goods are exchanged for goods.

**Q.2. A common medium of exchange exists in the C-C economy.**

**Ans.** False. A common medium of exchange does not exist in the C-C economy. It is an economy where goods are exchanged for goods.

**Q.3. Double coincidence of wants is the principal feature of the barter system of exchange.**

**Ans.** True. Double coincidence of wants is the principal feature of the barter system of exchange. This arises because goods are exchanged for goods, and there is no common medium of exchange like money.

**Q.4. In the C-C economy, saving is ruled out because there is no money in this economy.**

**Ans.** False. Saving is not ruled out in the C-C economy. Saving is possible by way of storage of goods.

**Q.5. Amisha buys an ice cream from a grocery shop for ₹ 20 and at the same time sells the packaging material to the grocery shop for ₹ 200. The sale and purchase by Amisha refer to barter system of exchange as it involves double coincidence of wants.**

**Ans.** False. Sale and purchase by Amisha does not refer to barter system of exchange. Because, both sale and purchase are done using money as a common medium of exchange.