

Money & Banking

- * Legal tender money - The government issues and order stating what is money. In India currency like 'coins & notes' is legal tender money.
- * The legal tender money status given by the government to money may be limited or unlimited. Like lastly Indian government announced that note of 500 and 1000 would not be legal tender from the date.
- * Non-legal tender money -
It is optional and voluntary money which is generally accepted as money on the basis of trust that their issues commands.
Ex. Drafts, cheques, Bill of exchange, etc.
- * Supply of money -
It means the total stock of all forms of money (Paper money, coins, demand deposits of banks which are held by the ~~supplier~~ of ~~money~~ public at any particular point of time.