Problem
Tortoise Domain is a small country made up of a group of islands in the warm southern ocean. Residents of the main island, Tortoise Island, are known throughout the country for their beautifully crafted glass jewelry made from volcanic glass that can only be found on their island. The medium of exchange of the country is shells from a rare breed of tortoise that inhabits islands in the region. Residents of the main island use the shells to buy taro root, a food staple that is difficult to grow on the main island, as well as luxury items such as brightly colored bird feathers used to make decorative headdresses for the wealthy. Read each investigation and use what you have learned in Chapter 10 to answer the questions that follow.

Investigation 1
Tortoise Island craftspeople have recently perfected a more streamlined canoe that allows traders to travel faster throughout the islands, as well as to other island nations in the region. So many goods are being bought and sold that the canoes are often overloaded with tortoise shell currency, and the tortoise is quickly disappearing from the region. The king meets with his councilors, and they decide to devise a new system of currency so that their economy can continue to grow.

1. What factors should the king and his councilors consider in a new system of currency?

2. What objects in the country of Tortoise Domain might serve as a more suitable medium of exchange? Explain your answer.

Investigation 2
With the new currency system, trade increases and Tortoise Domain merchants are soon collecting large sums of the new currency. Craftspeople and other workers soon find that they, too, have more currency than they need to buy everyday goods.

1. What problems will the Tortoise Island citizens likely encounter with large sums of currency on hand?

2. What solution might the people consider for handling surplus currency, and what factors should they consider when resolving the issue?

Investigation 3
As the Tortoise Domain economy grows, the living standard of all citizens rises. Even the humblest worker can afford to buy some luxury items. Many citizens plan to buy their own land to build larger homes, while others plan to start new businesses and new trading companies.

1. Describe a way in which the economy can continue to grow and citizens can buy more goods and start new businesses.

2. What problems should be guarded against in this solution?