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# WORLD CURRENCIES

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**Annotation:**
Transactions related to the origin of currencies. Money of England and Great Britain. Currency exchange phenomenon and causes. Sale and purchase operations. About the reasons for the decrease and increase of the exchange rate.

**Keywords**: Currency,19th century, exchanged, Europan Union, payment, employes, Financial Times, Great Britain and England.

Currency is the monetary unit of the state and is the main element of the monetary system. It is a legal tender in circulation, it serves as a measure of the value of goods, a means of calculation and payment. Every country has its own national currency. Currently, there are more than 250 countries on earth. 195 of them are independent countries, and the rest have uncertain or special status. There are about 160 currencies in the world. Currency (ital. valuta, lat. valere - value, value). The country's monetary unit and its types are gold, silver, paper; Money of foreign countries used in international transactions, as well as credit and payment documents expressed in the currency of these countries and used in international account books, promissory notes, checks, banknotes, etc.
Until the 19th century, silver currency or bimetallism monetary system was widespread in most countries. From the 19th century, first in England, then in other countries, gold currency began to be used. Since the 70s of the 20th century, paper currency, i.e., banknotes and paper money that cannot be exchanged for gold and silver, has been in character. They are subject to inflation, depreciate, as a result, devaluation measures are carried out by the state, see exchange rate. Currencies with a stable exchange rate are called high-value currencies. Currencies can be freely exchanged for any freely convertible foreign currency in an unlimited amount, freely transferred to any country, partially convertible currency exchange is limited to one or another owner, one or another currency movement, divided into types that are valid within one non-exchangeable country. International payment transactions are

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performed with freely convertible currency or freely convertible currency at the exchange rate set by the International Monetary Fund. The International Monetary Fund includes the US dollar, Canadian dollar, currencies of the European Union member countries, Swiss franc, Sweden, Japan and a number of other countries into a currency that is freely convertible to the currency of any country. Currency conversion is the exchange of one country's currency for another country's currency. This exchange allows you to travel to other countries, trade with foreign firms and companies, and buy goods from foreign online stores.Currency exchange is carried out at the exchange rate of the sending and receiving banks. A commission may be charged for the exchange. Before making a payment in foreign currency, clarify the exchange rate and commission payments.Depending on the issuer issuer of the currency. National currency is the currency of a specific country soum, dollar, euro, ruble, etc. Issued by the Central Bank for use in the territory of this country. Foreign currency - currencies in circulation in foreign countries and considered legal tender, as well as credit and payment instruments banknotes, treasury bills, coins, checks, promissory notes. A collective currency is a currency used by a specific group of countries and international organizations to carry out financial transactions. For example, on January 1, 1999, the countries of the European Union (EU) introduced the single currency, the Euro, into circulation in cashless form, and from January 1, 2002, in the form of banknotes and coins.

What type of conversion is there?

Freely convertible - a currency that does not have any restrictions in the process of exchange for other currencies. Countries that own such currencies do not impose any barriers to transactions with these currencies. Such currencies include US Dollar, Euro, Swiss Franc, British Pound, Japanese Yen, etc.non-convertible currency - the country's government imposes restrictions on the sale and purchase of currencies or other transactions. These are North Korean won and Cuban pesos. Circulation of such money is allowed only within the country.Partially convertible currency - these are national banknotes with limited circulation outside the issuing country. For example, in Uzbekistan, the soum is a legal tender. Outside the country, there are restrictions on the exchange of soums, and they can only be exchanged for certain foreign currencies.

What is a currency quote?

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Quotation is the price of foreign currency in local currency. If the exchange rate of one currency unit is not directly determined against another, the exchange rate is determined by the cross exchange rate in accordance with the supply and demand.One of the most serious and obvious problems of internationalization is that not all countries use the same currency, and the relative value of two different currencies can vary over time, and these changes can be significant in a very short time. Certain national governments may at times enter into mutual agreements to peg their currencies to the currencies of other parties to the treaty. Most of the countries of the European Union have long-term agreements with the exchange rates of their currencies, which in 1999 formed the single currency, the euro. The introduction of the euro was a step towards a long-term and consistent elimination of the tendency of exchange rates to fluctuate. It is useful to summarize the changes. When a company is selling goods and services to a commercial buyer, it usually needs to convert a foreign currency into the currency of the seller's country to complete the transaction. While payment can be made in a foreign currency, the buyer usually wants to have the currency of their home country to pay taxes and dividends to pay for the labor of their employees and the services of their suppliers. Persons in the country to which the company has financial obligations are generally unwilling to pay the debt in any currency other than their own. If the seller's currency is used for the sale, the foreign buyer prefers to convert the local currency to the currency used in the seller's country when the payment is made.A market that converts one currency into another is called a stock market. Commercial banks, central national banks, brokers and other organizations operate in this market. The foreign exchange market does not have a fixed address, one currency is exchanged in another place. When we want to prepare for a trip abroad and decide to take the currency of the country we are going to, we can usually easily do this through our bank. In this case, we and the bank are part of the currency market. If you happen to have a few dollars left over after you go to the US and you trade for your friend's pound sterling going there, you and your friend become part of the foreign exchange market.Foreign currency transactions usually involve one of two approaches when dealing with stock dealers. The currency can be exchanged instantly, known as the exchange rate. The currency can be realized in a short time using the spot rate known to us. Alternatively, the contract may provide for a future currency exchange known as the exchange rate on the day of the transaction. For reasons described below, spot

prices and exchange rates are usually very different.If a spot exchange rate transaction is concluded at currency exchange offices, they set two exchange rates: one rate is to sell the currency, and the other is to buy it.For example, a foreign exchange dealer is willing to accept $1.96 for £1. But ukar only pays you $1.95 for £1. This means they sell £1 for US$1.96, but you buy £1 for US$1.95. In fact, in most commercial transactions, the difference between the two rates is much lower than in this example. Spread is the profit of currency traders. The existence of a spread means the existence of costs associated with the use of the currency market. The size of the spread, as a rule, determines the effectiveness of the foreign exchange market, the volatility of this exchange rate is small, the transaction is significant and the spread is small.Financial headlines in the Financial Times show that in early 2005 £1 was about $1.95. Why was the course like that at that time? This is because the price is determined in a free market, ie supply and demand, relative to individuals, companies and institutions, converting dollars into pounds or vice versa. Broadly speaking, there are five reasons why individuals, companies and institutions convert their currency into foreign currency: - in order to exchange the money received from the sale of goods and services in foreign currency into the currency of other countries;
- to pay for goods or services in foreign currency;
- in order to keep own funds in foreign currency;
- For the purpose of pre-estimating the purchase of a certain currency or for the purpose of soeculation in order to hope for its appreciation against the national currency;
- convertibility allows the central bank to control the exchange rate of one currency against anotherIn the late 1990s and early 2000s, the relative stability of the pound sterling ratio depended on this factor. During this period, UK interest rates were relatively high compared to other countries. As a result, the government used to set interest rates through the central banker. The government can set high interest rates to strengthen the national currency in order to manage the exchange rate to achieve a specific goal, for example, the goal is to maintain the stability of the exchange rate against other currencies. Such a policy has not been implemented in the UK in recent years. In Great Britain, the high interest rate served as a weapon for the Bank of England, which allowed to limit inflationary trends in the British economy. Most countries usually use the fouz rate as the main instrument of anti-inflation policy.The

fourth reason is that speculation is often considered a parasitic and dangerous activity. Nevertheless, speculators claim that their activities are necessary to create a more efficient and rational market.Many attempts have been made to justify and predict the relationship between the two national currencies with some theoretical explanations for exchange rates.

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