

FINANCIAL UNIVERSITY
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Japanese Yen



GMF2-18s

Student: Kurkin K.V.

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Plan of the presentation

1. History of the Japanese yen.
2. Some photos of Japanese money.
3. Interesting facts about the Japanese yen.

History of the Japanese yen.

In the 19th century silver Spanish dollar coins were common throughout Southeast Asia, the China coast, and Japan. These coins had been introduced through Manila over a period of two hundred and fifty years, arriving on

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The yen was officially adopted by the Meiji government in an Act signed on May 10, 1871. The new currency was gradually introduced beginning from July of that year. The yen was therefore basically a dollar unit, like all dollars, descended from the Spanish Pieces of eight, and up until the year 1873, all the dollars in the world had more or less the same value.

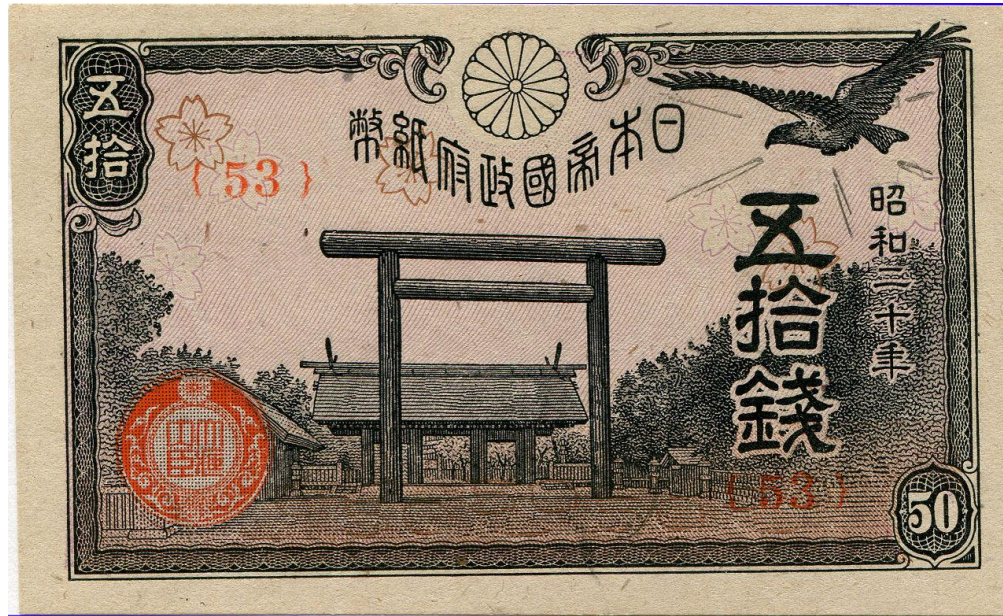
The yen lost most of its value during and after World War II. After a period of instability, in 1949, the value of the yen was fixed at ¥360 per US\$1 through a United States plan, which was part of the Bretton Woods System, to stabilize prices in the Japanese economy.

Despite intervention, market pressures caused the yen to continue climbing in value, peaking temporarily at an average of ¥271 per US\$1 in 1973 before the impact of the 1973 oil crisis was felt. The increased costs of imported oil caused the yen to depreciate to a range of ¥290 to ¥300 between 1974 and 1976. The re-emergence of trade surpluses drove the yen back up to ¥211 in 1978. This currency strengthening was again reversed by the second oil shock in 1979, with

After declining somewhat in 1989 and 1990, it reached a new high of ¥123 to US\$1 in December 1992. In April 1995, the yen hit a peak of under 80 yen per dollar, temporarily making Japan's economy nearly the size of the US.

On April 4, 2013 the Bank of Japan announced that they would expand their Asset Purchase Program by \$1.4t USD in two years. The Bank of Japan aims hopes to bring Japan from deflation to inflation, aiming for 2% inflation. The amount of purchases is so large that it is expected to double the money supply.

Some photos of Japanese money.

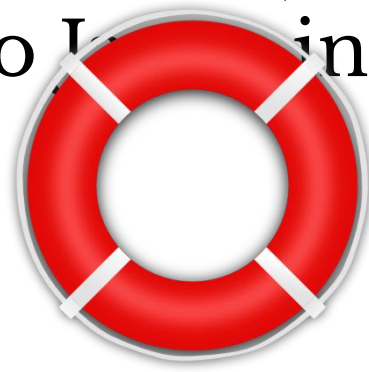






Interesting facts about the Japanese yen:

1. The word “Yen” means “round object” in Japanese. The word comes from the Spanish dollars (coins) that were introduced to Japan in the 18th century.



2. The Japanese pronounce “Yen” as “En.” The difference between this and the English comes from the widely-distributed Japanese-to-English dictionary of Walter Henry Medhurst, who made a mistake, and in fact hadn’t been to Japan when he wrote his dictionary in the 18th century!



3 .The 1 Yen coin is made from 100% aluminium,
and can float.



4. The 500 Yen coin is the most valuable coin in the world in terms of value, presently worth more than \$6 US per coin



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5. Japanese coins don't bear the date when they were minted, but the current year of the Emperor's reign. Hence a coin minted in 2012 would bear the date Heisei 24 (the 24st year of Emperor Akihito's reign).



6. The Y5 and Y50 coins have holes in the centre. This makes them more difficult to counterfeit.



7. The Y5 coin is considered a good-luck charm in Japan, because its composition of zinc and copper gives it a dazzling hue.



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