



1. INTRODUCTION 1.1 Imagine a village where, instead of using a currency, the inhabitants would trade their goods with each other to fulfil their needs- chicken for rice, rice for blankets, and so on. Sometimes, a person would not have the desired goods, and would make a promise to the counter-party that they would supply the same on a future date. In the beginning when there were few promises, this arrangement would work. However, as the number of promises and parties increased, it became difficult to track them and disputes arose. The village then collectively appoints someone to maintain a ledger of all these promises. Any disputes would be conclusively resolved by this 'ledger-man.' In exchange for carrying this duty, the ledger-man would charge a 'fee' from all traders thereby marginally reducing their 'profits.' As more people come to rely on the ledger-man, his position bec.....