Study Questions for the “Champagne Fairs” Reading


Objective/Short answer questions

1. ______ Why are these fairs called the “Champagne Fairs”?
   a. blah
   b. blah
   c. blah
   d. blah

2. ______ Roughly when did these fairs take place?
   a. ≈ 980 – 1080 CE     c. ≈ 1380 – 1480 CE
   b. ≈ 1180 – 1280 CE   d. ≈ 1580 – 1680 CE

3. ______ Why does Wikipedia use the plural “fairs” instead of the singular “fair”?
   a. Wikipedia tries to be objective and neutral. Most sources give a subject fair coverage. Wikipedia goes one step further. What more fair than fairs?
   b. There were multiple fairs in the region each year.
   c. The fairs “died out” several times only to arise again a few years later.
   d. The fairs lasted for several centuries.

4. ______ What was the main thing traded at these fairs?
   a. blah
   b. blah
   c. blah
   d. blah

5. ______ For what time period were the fairs “open” in a given year?
   a. only a few days
   b. roughly two weeks
   c. most of the year if one counts all the fairs of the region

6. ______ Why did these fairs take place where they did?
   a. blah
   b. blah
   c. blah
   d. something about being in between the two main commercial centers of Europe
7. ______ What else explains why these fairs took place where they did?
   a. blah
   b. blah
   c. blah
   d. something about the Counts of Champagne

8. ______ Several decades ago (ca 1980?) it was common for economists, especially new-classical economists, to downplay political and social institutions. Differences in the political environment, unless these differences were very big (ex. extreme communism versus extreme capitalism) were thought to have little effect on how production and exchange took place. Does your answer to the above (#7) question support this idea?
   a. Dude, that question was so hard to follow, I have no clue.
   b. Yes, the location of the Champagne fairs supports the idea that differences in political and social institutions matter little.
   c. No. In contrast to new-classical thought of the 1980’s, political and social institutions were critical in determining where the fair was and that it even took place.

9. ______ Paul Revere wants to know did merchants typically got themselves and their goods to a Champagne Fair? What’s the answer?
   a. one if by land
   b. two if by sea
   c. three if by making the products at/near the fair

10. ______ When did the Champagne fairs decline in importance?
    a. about 1080 CE
    b. about 1280 CE
    c. about 1480 CE
    d. about 1480 CE

11. ______ Why, according to Wikipedia, did the Champagne fairs decline in importance?
    a. blah
    b. blah
    c. blah
    d. blah

12. ______ To which town did the cloth fairs move after the Champagne fairs declined?
    a. Bruge
    b. Cadiz
    c. Edinburgh
    d. Florence

… and now some questions from lecture …

13. ______ Were the merchants participating in the Champagne fairs typically operating one two person organizations?
    a. Yes. Most merchants at the fair were operating small family businesses.
    b. No. It generally required more than one or two people for a merchant to successfully operate at the fair.
14. _____ What does “cambium” mean in the context of financial history?
   a. tree, as in a commodity money that is hard to make more of in the short run, but easy to make more of in the long-run
   b. tree, as in a commodity money that turns into a “fire-hazard” if too much of it accumulates
   c. exchange, as in a contract designed to facilitate an exchange
   d. trustworthy as in the “heartwood” of a tree

#’s 15 – 16. It’s 29 June 1240. Dante (of Genoa) just bought 10 bolts of wool cloth from Yannick (of Bruge)

15. _____ When does Dante likely receive the wool cloth?
   a. Never. Dante will re-sell the contract to receive cloth to a merchant back in Italy.
   b. Later in the fair (or later in the fair season).
   c. At the time of the sale.

16. _____ How did Dante likely pay for the wool cloth?
   a. with a note promising to pay for the wool cloth at a future date (usually another fair later that year)
   b. with coin
   c. by leaving an agent or family member “hostage”. At the end of the fair, there is an exchange of hostages in which most debts cancelled out (l’exchange des hostages). Anyone with an unexchanged hostage then pays to free their remaining hostages
   d. in trade (by bartering silk cloth)

17. _____ In addition to buying cloth from the low countries, the same Dante (from #’s 15 and 16) is selling silk from Genoa at the fairs. Dante, in total, purchases 300 Deniers of materials (wool cloth) at the Champagne Fairs. A Denier is a silver coin used in the Champagne region during the Middle Ages. Dante sells 280 Deniers of silk at the fairs. Roughly how much coin does Dante have to bring to the fairs? Why?
   a. A bit less than 300 Deniers (ex. 250 Deniers). Since the fair is cash and carry, he will have to have coin on hand every time he makes a purchase. However, he is pretty certain to sell some of his silk before he has finished buying all the wool cloth he wants.
   b. Much less than 300 Deniers (ex. 50 Deniers). Most of the time he sells a unit of silk he will receive a promissory note (IOU) from the buyer. Since these promissory notes are negotiable, Dante will use the notes he received to buy cloth.
   c. Much less than 300 Deniers (ex. 50 Deniers). Dante will give out a promissory note (IOU) (almost) every time he buys cloth. Likewise, Dante will receive a promissory note every time he sells a unit of silk. Later in the fair season, all parties will clear their promissory notes through a clearing house.
   d. much less than 300 Deniers (ex. 50 Deniers). Most of Dante’s transactions will involve barter, not coin.