

Ans: Key

Can be done by method 1: ratio or method 2: Factor

label
mel

FIGURE 1.2

Exchange Rates Compared to the Canadian Dollar

| Bank buying rate | Country | Currency units | Bank selling rate |
|------------------|---------------------|----------------|-------------------|
| 0.950964 | Australia | dollar | 1.006964 |
| 1.580814 | Austria | euro | 1.644814 |
| 1.580814 | Belgium | euro | 1.644814 |
| 0.534900 | Brazil | real | 0.697000 |
| 0.127100 | China | yuan | 0.162600 |
| 0.210778 | Denmark | krone | 0.221778 |
| 1.996146 | England | pound | 2.060146 |
| 0.159300 | Egypt | pound | 0.217300 |
| 1.580814 | European Community | euro | 1.644814 |
| 1.580814 | Finland | euro | 1.644814 |
| 1.580814 | France | euro | 1.644814 |
| 1.580814 | Germany | euro | 1.644814 |
| 1.580814 | Greece | euro | 1.644814 |
| 0.128451 | Hong Kong | dollar | 0.133451 |
| 1.580814 | Italy | euro | 1.644814 |
| 0.009295 | Japan | yen | 0.009855 |
| 0.012510 | Kenya | shilling | 0.017300 |
| 0.083443 | Mexico | peso | 0.108443 |
| 1.580814 | Netherlands | euro | 1.644814 |
| 0.748264 | New Zealand | dollar | 0.798264 |
| 1.996146 | N. Ireland | pound | 2.060146 |
| 0.194863 | Norway | krone | 0.205863 |
| 0.012360 | Pakistan | rupee | 0.019360 |
| 1.580814 | Portugal | euro | 1.644814 |
| 1.580814 | Republic of Ireland | euro | 1.644814 |
| 1.996146 | Scotland | pound | 2.060146 |
| 0.737280 | Singapore | dollar | 0.762280 |
| 1.580814 | Spain | euro | 1.644814 |
| 0.165558 | Sweden | krona | 0.175558 |
| 0.982007 | Switzerland | franc | 1.017007 |
| 0.026550 | Thailand | baht | 0.035120 |
| 1.004350 | United States | dollar | 1.038650 |



* Rates as of October 24, 2008

BUILD YOUR SKILLS

Use the table on p. 45 to answer the following questions.

1. What would the cost be, in Canadian dollars, to buy the following currencies from a bank?
 - a) euro
 - b) Hong Kong dollar
 - c) Pakistan rupee
2. If you had the following foreign currencies, what rate would you use when a bank is buying the currency from you?
 - a) Japanese yen
 - b) Australian dollar
 - c) United States dollar
3. Calculate the amount of money you would receive in Canadian dollars if you sold the following currencies to a bank.
 - a) 4500.00 pesos
 - b) 25 000.00 Hong Kong dollars
 - c) 2200.00 euros
 - d) 8545.00 Scottish pounds
4. Megan is attending a three-day trade fair in Germany. Her travel allowance is \$1200.00 CAD. How much money will she have in the local currency for her expenses in Germany?
5. Opal is planning a trip to Europe. She wishes to buy \$650.00 Canadian dollars' worth of each of the following currencies. How much of each currency will she have?
 - a) euro
 - b) Swiss francs
 - c) Swedish kronor
 - d) If Opal cancels her trip to Sweden and changes the kronor back into Canadian dollars, how much will she receive? Why does she receive a lower amount back in Canadian dollars than she initially paid?



Switzerland still uses francs rather than euros.