

# UNIT TEST on TOMORROW!

Review - Unit Pricing & Currency Exchange.pdf



**Chapter 1 Unit Pricing and Currency Exchange ... detailed solutions**



# HOMEWORK QUESTIONS...

8. Glynis wishes to purchase 500.00 euros for her business trip to Austria. The rate of exchange is 1.00 euro equals \$1.59 CAD.

a) How much will it cost her in Canadian dollars to purchase the euros?

b) Her financial institution charges a 0.5% handling fee on the currency exchange. The handling fee is charged on the Canadian amount. What is her final cost?

a)  $500 \text{ euros} \times \frac{\$1.59 \text{ CAD}}{1 \text{ euro}} = \$795$

b)  $\frac{0.5\%}{100} = 0.005$

$795 \times 1.005 = \$798.98$

12. You have decided to buy a new car and must choose between a regular model and a hybrid model. The hybrid model uses less fuel since it uses an electric motor to power the car when it is possible.

Model	Price including taxes and shipping	Average fuel economy (L/100 km)
Regular model	\$24 456.00	12.4
Hybrid model	\$25 840.00	10.8

- a) How many litres of fuel will be required to drive each vehicle 24 000 km?
- b) Fuel costs \$1.03/litre. How many kilometres would you need to drive to save enough money in fuel to pay for the extra cost to buy the hybrid?
- c) Why might you choose to purchase the hybrid even if you planned to sell the car in 2 years?

a) Reg  $\Rightarrow 24000 \text{ km} \times \frac{12.4 \text{ L}}{100 \text{ km}} = 2976 \text{ L}$

Hybrid  $\Rightarrow 24000 \text{ km} \times \frac{10.8 \text{ L}}{100 \text{ km}} = 2592 \text{ L}$

b)

25840 - 24456	\$	1384
12.4 - 10.8		1.6

← Difference in cost  
← Difference in fuel economy / 100km

$\$1384 \div \frac{\$1.03}{\text{L}} \Rightarrow \$1384 \times \frac{10}{\$1.03} = 1344 \text{ L}$

$1344 \text{ L} \div \frac{1.6 \text{ L}}{100 \text{ km}} \Rightarrow 1344 \text{ L} \times \frac{100 \text{ km}}{1.6 \text{ L}} = 83980.6 \text{ km}$

## Attachments

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Chapter 1 Unit Pricing and Currency Exchange - Practice Your Skills.pdf

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