

**FIGURE 1.2****Exchange Rates Compared to the Canadian Dollar**

<i>Bank buying rate</i>	<i>Country</i>	<i>Currency units</i>	<i>Bank selling rate</i>
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      1 euro = \$1.644814
  - b) Hong Kong dollar    1 dollar = \$0.133451
  - c) Pakistan rupee    1 rupee = \$0.01936



Switzerland still uses francs rather than euros.

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    1 yen = \$0.09295
  - b) Australian dollar    1 dollar = \$0.950964
  - c) United States dollar    1 dollar = \$1.0043
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      \$375.49
  - b) 25 000.00 Hong Kong dollars    \$3211.28
  - c) 2200.00 euros      \$3477.79
  - d) 8545.00 Scottish pounds    \$17 057.07
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?      729.57 eur
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    395.18 eur
  - b) Swiss francs    639.13 francs
  - c) Swedish kronor    3702.48
  - 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?      \$612.98

$$\$650 \times \frac{1 \text{ eur}}{\$1.644814}$$

12)

$$\begin{array}{l} \text{mark up} \quad 30\% = 100\% + 30\% \\ \quad \quad \quad \times 1.30 \end{array}$$

$$\begin{array}{l} \text{mark up} \quad 125\% = 100\% + 125\% \\ \quad \quad \quad \times 2.25 \end{array}$$

$$\text{Cost: } \$0.79$$

$$0.79 \times 1.3$$
$$= 1.03$$

$$\text{markup rate} = 30\%$$

$$0.79 \times 0.3$$
$$= \$0.24$$

$$0.79 + 0.24$$
$$= \$1.03$$

Cost: \$200

400%

$$200 \times 4$$

$$= \$800$$

Mark up rate 300%

↓  
300

$$200 \times 3$$

$$= \$600$$

100%      300%

$$200 + 600$$

$$= 800$$

$$\text{Mark up rate} = \frac{\text{gross profit}}{\text{whole cost}}$$

**BUILD YOUR SKILLS**

8. What would you have to pay for a jacket that is listed at \$99.95 if you live in Nunavut, where the only tax is 5% GST?
  
  
  
  
  
  
  
  
  
  
9. Find the total cost of a washing machine that is being sold for \$944.98 in Saskatchewan, where PST is 6% and GST is 5%.
  
  
  
  
  
  
  
  
  
  
10. Calculate the HST (12%) on a return flight from Cranbrook, BC to Vancouver, BC that costs \$372.00.
  
  
  
  
  
  
  
  
  
  
11. Saskatchewan charges 5% GST and 6% PST. How much GST and PST would Krista pay on a can of paint priced at \$45.89?

12. If the markup is 125% on a certain brand of jeans that have a wholesale price of \$30.00, what will the consumer pay, if GST and PST are each 5%?

13. The markup on a restaurant meal is 250%. A meal costs \$7.25 to produce. How much will the customer be charged, after markup and 5% GST are applied?

**PRACTISE YOUR NEW SKILLS**

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1. Calculate the following percentages.

a) 5% of 72

b) 275% of 8

c) 152% of 200

d)  $6\frac{3}{4}$ % of 700



2. An electrician buys his material at the local hardware store, then charges his customer 20% more. The material for a given project is \$253.75 at the hardware store.
  - a) What is the markup?
  
  
  
  
  
  
  
  
  
  
  - b) How much does he charge the customer for the material?
  
  
  
  
  
  
  
  
  
  
3. Maria is a florist in a small boutique. If Maria paid her supplier \$8.50/doz for roses and sold them for \$19.95, what was the percent markup?
  
  
  
  
  
  
  
  
  
  
4. Garth buys snow tires from a dealer in Thunder Bay, ON. The tires cost \$79.00 each. To make a profit, he must mark them up 40%. How much must a customer

5. Because the cost of ingredients has gone up, Maurice has decided to increase the cost of meals in his restaurant by 12%. How much will he now charge for a grilled salmon fillet that used to cost \$17.95?

6. The wholesale cost of a certain brand of T-shirts is \$132.00/dozen. To cover costs and make a profit, Lorena marks them up by 75%. If GST is 5% and PST is 7%, what will a customer have to pay for 1 T-shirt?

7. An MP3 player that Harry wants to buy sells for \$80.05 in BC where there is

**BUILD YOUR SKILLS**

7. What is the percentage markdown if a \$175.00 item sells for \$150.00?
  
  
  
  
  
  
  
  
  
  
8. In a store opening promotion, Fred advertises T-shirts: "Buy 4 get 1 free." If the cost of 1 T-shirt is \$15.97, what is the discount rate, as a percent?
  
  
  
  
  
  
  
  
  
  
9. Cameron is buying new computers for his office. Each computer costs \$789.00. He is told that if he buys 5 computers, he can get a 6th one free. What will be his

10. Shelly works as an optician in Whitehorse, YT. Her store is selling last year's glasses frames at a savings of 30%. What will you pay for frames that were originally priced at \$149.00 if 5% GST is charged?

GST and PST are paid on the selling price, not the original price

11. Nicole wants to buy a coat originally priced at \$249.95. It is on sale at 25% off. How much will she pay if 5% GST and 5% PST are charged?

12. Yasmin owns a kitchen and bath fitting store. She is selling a kitchen sink at a reduction of 40% because of a scratch in the finish. The original price was \$249.95.

a) Determine the total savings to the customer, including 5% GST and a PST of 8%.

b) Calculate the percentage of savings.

**PRACTISE YOUR NEW SKILLS**

1. In Abbotsford, BC, Mack works as a used car salesman. He offers a 15% reduction to repeat customers. If the price marked on a car is \$9879.00, how much will it be reduced for a repeat customer?
  
  
  
  
  
  
  
  
  
  
2. A fishing rod originally priced at \$49.98 is reduced by 30%.
  - a) How much is the discount?
  
  
  
  
  
  
  
  - b) What will the cost be before tax?
  
  
  
  
  
  
  
  
  
  
3. Senior citizens are offered a 20% discount on their lunch on Tuesdays in Hay River's local diner. How much will Rita and Dick, both senior citizens, save if they order

4. A can of paint costs \$59.95. There is a 20% price reduction for contractors. How much will the contractor save if he buys 5 cans?
  
  
  
  
  
  
  
  
  
  
5. A furniture store offers a "Closing Out Sale: Everything 80% Off."
  - a) How much will you pay for a bedroom suite that originally cost \$2989.97 if GST is 5% and PST is 7%?
  
  
  
  
  
  
  
  - b) What are your total savings on this purchase?
  
  
  
  
  
  
  
  
  
  
6. Robert sells bicycles, skateboards, and snowboards at his sporting goods store. A bicycle that was originally priced at \$785.00 sold for \$553.00. What percent markdown did Robert offer?

7. The wholesale cost of a *tawa*, a griddle used to cook Indian flatbread, is \$53.00. A merchant marks it up 65%. At the end of the season, he sells the remaining stock at 60% off.

- a) What was his original asking price?
  
  
  
  
  
  
  
  
  
  
- b) At the original price, how much would a customer pay with 5% GST and 5% PST?
  
  
  
  
  
  
  
  
  
  
- c) What was the end-of-season sale price?
  
  
  
  
  
  
  
  
  
  
- d) How much would a customer pay when it was on sale, including 5% GST and 5% PST?
  
  
  
  
  
  
  
  
  
  
- e) What would the total savings be if it were bought on sale?
  
  
  
  
  
  
  
  
  
  
- f) What would be the percentage savings?