

Currency



The system of money a country uses.



Dollar



Australia





Germany

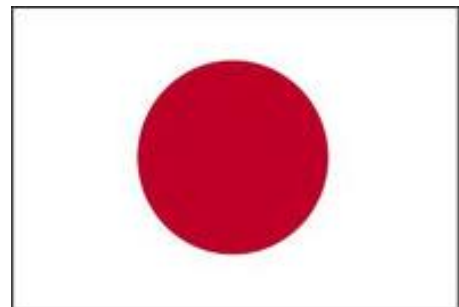
Euro

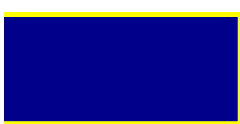




Japan

Yen





Scotland



Pound





Dollar



Singapore





Switzerland

Franc



Egypt



Pound





Buying Rate

The rate at which a currency exchange buys money from customers

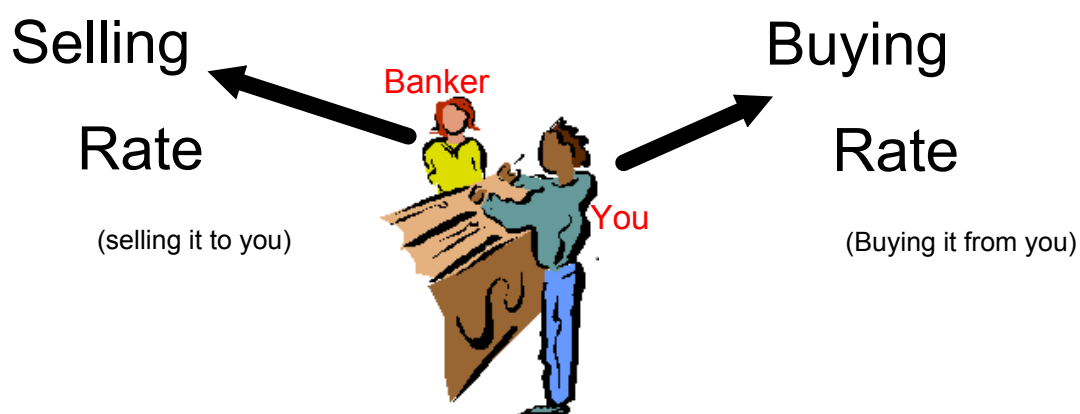


It's all about the foreign currency!!



Selling Rate

The rate at which a currency exchange sells money to its customers



Who has the foreign currency????

Exchange Rate

The price of one country's currency in terms of another nation's currency.



<http://www.xe.com/currency/cad-canadian-dollar>



On a specific date, the selling rate for the Danish krone compared to the Canadian dollar is 0.221778. How many kroner will you receive for \$500.00 CAD?

(1 Krone = \$0.221778)



$$\$500 \times \frac{1 \text{ Kr}}{\$0.221778} = 2254.51 \text{ Kr}$$

$$\frac{1 \text{ Kr}}{\$0.221778} = \frac{x}{\$500}$$

$$\frac{\cancel{\$}500(1 \text{ Kr})}{\cancel{\$}0.221778} = x$$

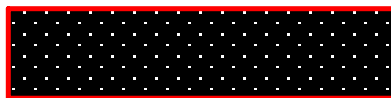
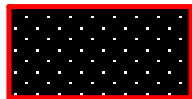
$$x = 2254.51 \text{ Kr}$$

On a specific date, the selling rate for the Danish krone compared to the Canadian dollar is 0.221778. (1 Krone = \$0.221778) How many kroner will you receive for \$500.00 CAD?



Let x = the number of kroner
you will receive for \$500

1. Let $x = ?$
2. Set up ratio (words)
3. Set up proportion
4. Solve



On a specific date, the selling rate for the Danish krone compared to the Canadian dollar is 0.221778. (1 Krone = \$0.221778) How many kroner will you receive for \$500.00 CAD?



Factor label method

On the same day as the previous example, the buying rate for krone was 0.210778. If, after purchasing your krone, you decided not to go to Denmark and sold the krone back to the bank, how much would you lose? 2254.51 kroner

$$1 \text{ Kr} = \$0.210778$$

$$2254.51 \cancel{\text{Kr}} \times \frac{\$0.210778}{\cancel{1 \text{ Kr}}} = \$24.80$$

FIGURE 1.2 **DISCUSS...** Rates in Can. Dollars

Exchange Rates Compared to the Canadian Dollar

[Bank BUYS your foreign money]

[Bank SELLS you foreign money]

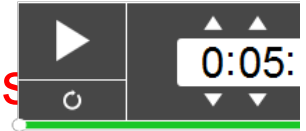
<u>Bank buying rate</u>	Country	Currency units	<u>Bank selling rate</u>
0.950964	Australia	dollar	1.006964
1.580814	Austria	euro	1.644814
1.580814	Belgium	euro	1.644814
0.534900	Brazil	real	0.697000
0.127100	China	yuan	0.162600
0.210778	Denmark	kroner	0.221778
1.996146	England	pound	2.060146
0.159300	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	kroner	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



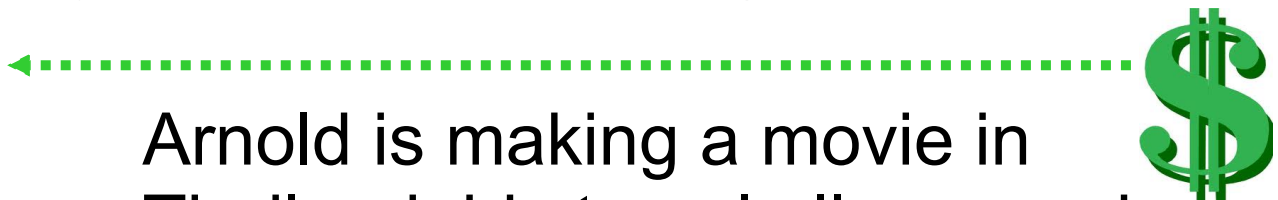
* Rates as of October 24, 2008



Use the table on page 45
to answer the following questions



Calculate the amount of money you would receive in Canadian dollars if you took 4500 shillings to the bank.



Arnold is making a movie in Thailand, his travel allowance is \$3000. How much money will he have in the local currency for his expenses in Thailand.

$$\$ 3000 \times \frac{1 \text{ baht}}{\$0.035120} =$$

•

85 421.41 baht



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

Calculate the amount of money you
would receive in Canadian dollars if
you sold 4500 shillings to the bank.

$$4500 \cancel{\text{sh}} \times \frac{\$0.01251}{1 \cancel{\text{sh}}} = \$56.30$$




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

Arnold is making a movie in Thailand, his travel allowance is \$3000. How much money will he have in the local currency for his expenses in Thailand.

On the same day as the previous example, the buying rate for kroner was 0.210778. If, after purchasing your kroner, you decided not to go to Denmark and sold the kroner back to the bank, how much would you lose?

HOMEWORK: Page 47 #1 - 5

1.5 Build Your Skills Detailed Solutions.pdf



1.5 Build Your Skills Detailed Solutions.pdf