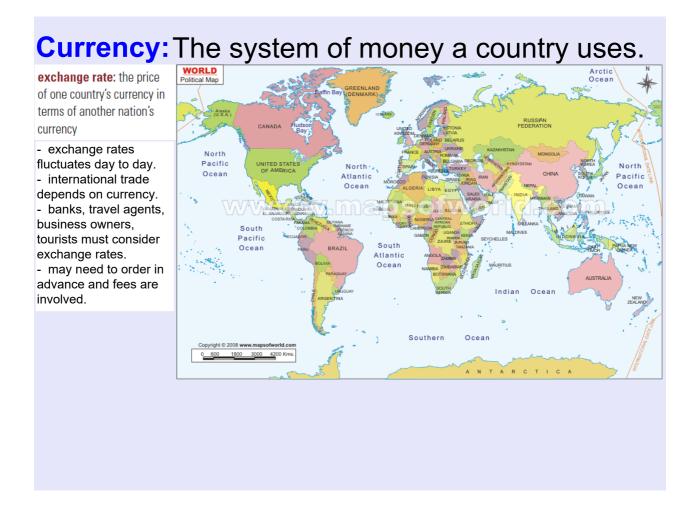
Problems with the homework?

Page 37 Questions 1 to 7
4.
$$$27.50 \times 74m^2 \times 0.96 = $1831.50$$

 $$36.60 \times 16 \text{ k/s} = 576
Saved $576 \times 0.05 = 28.80





Dean displays oysters ready for sale at Rodney's Oyster Depot. After a shipment of oysters is received, the oysters are graded and sold to domestic and international customers.

MATH ON THE JOB

Dean MacEachern grew up in Cornwall, Prince Edward Island, and attended Bluefield High School in Hampshire. Dean is now the plant manager for Rodney's Oyster Depot. "My main duties are shipping and receiving of oysters. I also do the sales to and invoicing of clients," he says. Dean is also responsible for ensuring that the quality of the oysters he sells meets or exceeds the standards set by the Canada Food Inspection Agency (CFIA).

Oyster distributors from different countries purchase oysters, by the piece, from Dean. He must ask for and compare price quotes in the currency of the country the oysters will go to. When selling oysters to an American distributor, Dean uses information on the exchange rate, gathered over a 60-day cycle, to estimate a competitive price he can sell the oysters for. The exchange rate changes every day during this cycle. What strategies can Dean use to estimate a competitive price?

SOLUTION

Dean could use exchange rate information from a 60-day cycle to calculate an "average" oyster price for this period. The average price would be a competitive price he could negotiate for with the American distributor.











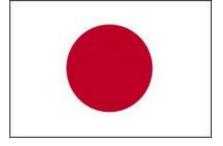




Japal











Pound





NICLES SECRE LINE OF STATE AND STATE

Dollar





singapore







Franc

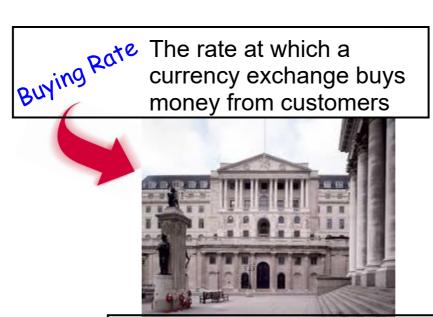












The rate at which a currency exchange sells money to its customers

Selling Rate

Exchange Rate

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





Canadian Dollar		
click on values to see graphs	1 CAD	in CAD
American Dollar	1.0146	0.98561



EXAMPLE #1:

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?



Let's do a conversion...

Delete to reveal

HINT

The unit of Danish currency is the krone, which is the Danish word for crown. The plural of krone is kroner.

EXAMPLE #2:

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?

Solution...

Delete to reveal







Chapter 1 Unit Pricing and Currency Exchange 45



EXERCISE: Use the table on page 45 to answer the following questions. (Solutions on the next slide)

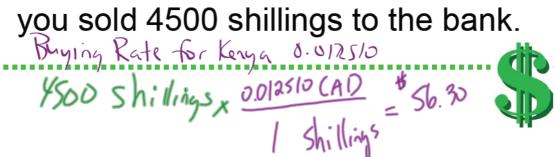


- 1) Calculate the amount of money you would receive in Canadian dollars if you sold 4500 shillings to the bank.
- 2) Arnold is making a movie in Thailand, his travel allowance is \$3000. How much money will he have in the local currency for his expenses in Thailand.

(i) 4560 Shillings x
$$\frac{0.012510^{cAD}}{15hilling}$$
 \$56.30
(2) $\frac{1}{0.035120}$ \$56.30
(2) $\frac{1}{0.035120}$ \$56.30

$$2) 3000CAD \times \frac{1 \text{ baht}}{0.035120CAD} = 85421.41 \text{ baht}$$

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



2) Arnold is making a movie in baht
Thailand, his travel allowance is
\$3000. How much money will he
have in the local currency for his
expenses in Thailand. Selling rate = 0.035120

*3000 CADx 1 baht
0.035120 CAD = 95 421.41 baht

HOMEWORK: Page 47 #1 - 7

1.5 Build Your Skills Detailed Solutions.pdf

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