

1.5 Currency Exchange

Example 1

- i) Lucas is a glazier who operates a window installation business. He regularly travels to the United States to buy supplies. Before travelling, he converts \$500.00 CAD into American dollars for personal expenses. If one Canadian dollar is worth 0.94192 of an American dollar, how many American dollars will Lucas receive in exchange for \$500.00 CAD?

- ii) Ray purchased \$500.00 CAD worth of parts from Hungary for use in his garage. If the exchange rate is one Canadian dollar to 180.0779 Hungarian forints (Ft), how many forints will you receive for \$500.00 CAD?

Example 2

- i) One Thai baht is worth 0.023541 of a Canadian dollar. How many bahts would a tourist in Thailand receive for \$200.00 CAD?

- ii) If the exchange rate for converting a Canadian dollar to the euro is 0.7180 on a particular day, how many euros would you get for \$300.00 CAD?

Example 3

1. Anne works for an automotive parts distributor and visits Switzerland to source new products. On a given day, the bank selling rate of the Swiss franc compared to the Canadian dollar is 1.0501 and the buying rate is 1.0213.

a) How many Swiss francs would Anne receive for \$400.00 CAD?

b) If Anne sold them back to the bank, how much would she receive?

c) What would her net loss be?

PRACTISE YOUR NEW SKILLS

Name: _____

1. Using the following information, calculate how much of the foreign currency you would get for \$500.00 CAD. Round to the nearest unit.

a) \$1.00 is worth 95.4911 Japanese yen
lira

b) \$1.00 is worth 1.41046 Turkish

c) \$1.00 is worth 0.680228 euro

d) \$1.00 is worth 6.43033 Chinese yuan

2. Damien is training to become a customer service representative at a credit union in Saskatoon, SK. Given the following exchange rates compared to the Canadian dollar, calculate how much foreign currency Damien would give to a customer who wished to convert \$500.00 CAD.

a) Mexican peso, 0.0818085

b) Estonian kroon, 0.0939564

c) British pound, 1.3376

d) South Korean won, 0.000922277

e) Indian rupee, 0.0229526

f) Russian ruble, 0.0352667

3. Using the rates from question #1, calculate the amount you would get in Canadian dollars if you sold the following.

a) 8750 Japanese yen

b) 900 Turkish lira

c) 250 euros

d) 3000 Chinese yuan

4. Use the exchange rates from question #2. Calculate how many Canadian dollars you would get for each of the following.

a) 6750 Mexican pesos

b) 145 British pounds

c) 15 000 Indian rupees

d) 750 Russian rubles

5. If the exchange rate is 0.1736 between the Norwegian krone and the Canadian dollar, what would the price be in Canadian dollars of an item that cost 275 kroner?

6. A hand-woven shawl costs 35 Botswana pula. How much does it cost in Canadian dollars if the exchange rate is 0.1515?
7. If the selling rate of the Omani rial is 2.96845 and the buying rate is 2.86145, how much would you lose if you bought and then sold \$800.00 on the same day?