

1. You would choose the bank selling rate to buy these currencies.
  - a) 1.644 814
  - b) 0.133 451
  - c) 0.019 360
  
2. You would choose the bank buying rate to sell these currencies.
  - a) 0.009 295
  - b) 0.950 964
  - c) 1.004 350
  
3. Use bank buying rates because the bank is buying the currency from you.
  - a)  $7000.00 \text{ pesos} \times 0.053 773 =$   
\$375.49 CAD
  - b)  $\$25\,000.00 \text{ Hong Kong} \times 0.128\,451 =$   
\$3211.28 CAD
  - c)  $2200.00 \text{ euros} \times 1.580\,814 =$   
\$3477.79 CAD
  - d)  $8545.00 \text{ Scottish pounds} \times 1.996\,146 =$   
\$17 057.07 CAD

4. Use the bank sell rate because the bank is selling the currency to you.

$$\frac{\$1200.00 \text{ CAD}}{1.644 \ 814} = \text{€}729.57$$

Megan will have €729.57 in the local currency for her expenses in Germany.

5. Use the bank selling rate because the bank is selling these currencies to you.

a)  $\frac{\$650.00}{1.644 \ 814} = 395.18 \text{ euros}$

b)  $\frac{\$650.00}{1.017 \ 007} = 639.13 \text{ francs}$

c)  $\frac{\$650.00}{1.755 \ 558} = 3702.48 \text{ kronor}$

d)  $3702.00 \text{ kronor} \times 0.165 \ 558 = \$612.98 \text{ CAD}$

She receives a lower amount back because bank buy and sell rates are different—the banks build in a profit margin for exchanging money.

On a specific date, the selling rate for China's yaun compared to the Canadian dollar is 0.162600. How many yaun will you receive for \$1000.00 CAD?



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

Let  $x =$  China's yaun

$$\frac{\text{China}}{\text{CAD}} = \frac{x}{1000.00}$$
$$\frac{1.00}{0.162600} = \frac{x}{1000.00}$$

$$0.162600x = 1000.00$$

$$x = 6150.06$$

**You will receive 6150.06 yaun for \$1000.00 Canadian dollars.**

On the same day as the previous example, the buying rate for yaun was 0.127100. If, after purchasing your yaun, you decided not to go to China and sold the yaun back to the bank, how much would you lose?

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

Let  $x = \text{CAD } \$$

China  
CAD

$$\frac{1.00}{0.127100} = \frac{6150.06}{x}$$

$$1x = 781.67$$

$$x = \$781.67$$

$$\$1000 - \$781.67 = \$218.33$$

**You would lose \$218.33 by selling the money back to the bank.**

