- 1. You would choose the bank selling rate to buy these currencies.
  - a) 1.644 814
  - b) 0.133 451
  - c) 0.019 360
- 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) 4500.00 pesos × 0.083 443 = \$375.49 CAD
  - b) \$25 000.00 Hong Kong × 0.128 451 = \$3211.28 CAD
  - c) 2200.00 euros × 1.580 814 = \$3477.79 CAD
  - d) 8545.00 Scottish pounds × 1.996 146 = \$17 057.07 CAD

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

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

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

- Use the bank selling rate because the bank is selling these currencies to you.
  - a)  $\frac{$650.00}{1.644814} = 395.18 \text{ euros}$
  - b)  $\frac{$650.00}{1.017007} = 639.13 \text{ francs}$
  - c)  $\frac{$650.00}{0.175\,558} = 3702.48 \text{ kronor}$
  - d) 3702.00 kroner × 0.165 558 = \$612.98 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 and the buying rate is 0.127100. How many yaun will you receive for \$ 1000.00 Let x = China's yaun

CAD?

1. Let 
$$x = ?$$
2. Set up ratio (words)
3. Set up proportion
4. Solve
$$\frac{1.00}{0.162600} = x$$

$$0.162600x = 1000.00$$

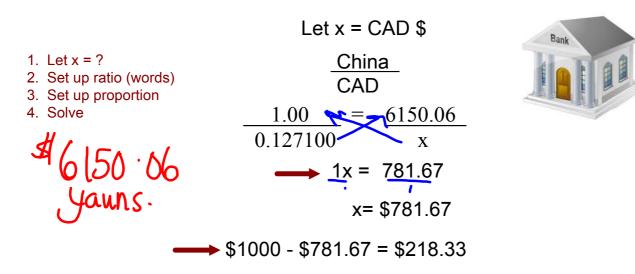
$$0.162600x = 1000.00$$

$$0.162600x = 1000.00$$

$$0.162600x = 1000.00$$



You will receive 6150.06 yaun for \$1000.00 Canadian dollars. On the same day as the previous examplelf, after purchasing your yaun, you decided not to go to China and sold the yaun back to the bank, how much would you lose?



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

