

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) ~~4500.00 pesos~~ $\times 0.083\ 443 =$
\$375.49 CAD
 - b) ~~\$25 000.00 Hong Kong~~ $\times 0.128\ 451 =$
\$3211.28 CAD
 - c) ~~2200.00 euros~~ $\times 1.580\ 814 =$
\$3477.79 CAD
 - d) ~~8545.00 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) $\frac{\$650.00}{0.175 \ 558} = 3702.48 \text{ kronor}$

d) $3702.00 \text{ kronor} \times 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 CAD?

Let x = China's yaun

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

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

$$\rightarrow \frac{0.162600x}{0.1626} = \frac{1000.00}{0.1626}$$

$$x = 6150.06$$



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

On the same day as the previous example, 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

$\$6150.06$
Yauns.

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

China
CAD

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

$$\rightarrow 1x = \underline{781.67}$$

$$x = \$781.67$$

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

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



1. What would the cost be, in Canadian dollars, to buy the following currencies from a bank?

- a) euro
- b) Hong Kong dollar
- c) Pakistan rupee

2. If you had the following foreign currencies, what rate would you use when a bank is buying the currency from you?

- a) Japanese yen
- b) Australian dollar
- c) United States dollar

3. Calculate the amount of money you would receive in Canadian dollars if you sold the following currencies to a bank.

- a) 4500.00 pesos
- b) 25 000.00 Hong Kong dollars
- c) 2200.00 euros
- d) 8545.00 Scottish pounds



Switzerland still uses francs rather than

Pg. 47 § 48

e 3, 4, 5, 6

