



Math Practice

Activity 12: Applying Foreign Exchange Rates

Work through the following activity, considering concepts from the text.

Suppose your grandmother presented you with a seven-day/six-night vacation to several major cities in Europe. Your journey begins with a flight that leaves Newark International Airport on November 17. You will arrive at Heathrow Airport in London on November 18. After touring the city for two days, you will roam the streets of Paris (November 20–21), and then enjoy the sites in Moscow (November 22–23). You will return to the United States from Russia on November 24.

When you arrive at the airport, you realize that you will have to exchange the \$150 you have brought to purchase souvenirs. The representative at the booth informs you that there is a 10 percent commission on all exchanges at Newark International Airport. You change all your dollars to pounds at an exchange rate of $1.00 \text{ USD} = 0.615262 \text{ GBP}$. Answer the questions posed as you proceed on your journey. (Note: Round all numbers to the nearest hundredth.)

1. Calculate the number of pounds you received in exchange for your dollars.

2. While in London you purchase several items, including a sweater that costs 30.76 pounds and an umbrella that costs 12.30 pounds. Calculate the number of pounds remaining.

Next you travel to France, a country famous for its food. You exchange your pounds for euros at a rate of $1.00 \text{ GBP} = 1.477 \text{ EUR}$ and treat yourself to dinner at an elegant restaurant. The bill is approximately 42.50 euros.

3. Calculate the number of euros remaining.

Finally, you arrive in snowy Russia, where you exchange your euros for rubles at a rate of $1.00 \text{ EUR} = 36.46 \text{ RUB}$. You spend 200 rubles on a ceramic plate for your grandmother.

4. Calculate the number of rubles remaining.

Upon arriving at Newark International Airport, you go directly to the exchange booth to convert your remaining rubles to dollars. The exchange rate for November 24 is $1.00 \text{ RUB} = 0.0351 \text{ USD}$.

5. How many dollars will you receive at the exchange booth? (Remember to deduct the commission.)
