



## WORKING WITH FOREIGN EXCHANGE RATES

To facilitate world trade, foreign exchange markets buy and sell foreign currency. This allows individuals and businesses to easily convert from one currency unit to another.

Below is a table of foreign exchange rates for a recent day. These rates change daily and are posted in large banks and major newspapers. The exchange rate is often given to four or five decimal places.

Country (currency unit)	Foreign Currency in Dollars	Dollar in Foreign Currency	Country (currency unit)	Foreign Currency in Dollars	Dollar in Foreign Currency
Argentina (peso)	1.00	1.00	Egypt (pound)	.29	3.44
Australia (dollar)	.65	1.53	Euro	1.07	.93
Britain (pound)	1.60	.62	Germany (mark)	.55	1.83
Belgium (franc)	.03	37.74	India (rupee)	0.02	43.39
Canada (dollar)	.66	1.50	Japan (yen)	0.008	115.20
Czech Rep. (koruna)	.03	33.88	Philippines (peso)	0.03	39.08
Chile (peso)	.002	512.15	Portugal (escudo)	0.005	187.34
China (renminbi)	.12	8.28	Saudi Arabia (riyal)	0.27	3.75

Does the table make sense to you? Look at the Euro. It is worth \$1.07 in U.S. currency, and one U.S. dollar will buy 0.93 Euros. Perhaps you have heard about the Euro, the single currency for all of Europe. It will replace many currencies, such as the Belgian franc and the German mark, early in the twenty-first century.

How much is each of the following worth in U.S. dollars?

(1) 1 Canadian dollar \_\_\_\_\_ 1 Indian rupee \_\_\_\_\_ 1 Philippine peso \_\_\_\_\_

How much is one U.S. dollar worth in each of these countries?

(2) Saudi Arabia \_\_\_\_\_ Germany \_\_\_\_\_ China \_\_\_\_\_

Suppose you travel to Portugal and exchange \$100 for escudos. How many will you get? (3) \_\_\_\_\_

When you leave, you exchange 100 escudos for dollars. How many will you get? (4) \_\_\_\_\_

Suppose you purchased each item below. Find the price in U.S. dollars.

(5) A sari in India for 700 rupees \_\_\_\_\_ (6) A painting in London for 1,250 pounds \_\_\_\_\_

(7) A belt in Chile for 1,250 pesos \_\_\_\_\_ (8) A shirt in Canada for 40 dollars \_\_\_\_\_

In which countries would a souvenir marked 1,000 in the local currency cost under \$10?

(9) \_\_\_\_\_