

BUILD YOUR SKILLS

Use the table on p. 45 to answer the following questions.

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
4. Megan is attending a three-day trade fair in Germany. Her travel allowance is \$1200.00 CAD. How much money will she have in the local currency for her expenses in Germany?
5. Opal is planning a trip to Europe. She wishes to buy \$650.00 Canadian dollars' worth of each of the following currencies. How much of each currency will she have?
 - a) euro
 - b) Swiss francs
 - c) Swedish kronor
 - d) If Opal cancels her trip to Sweden and changes the kronor back into Canadian dollars, how much will she receive? Why does she receive a lower amount back in Canadian dollars than she initially paid?



Switzerland still uses francs rather than euros.

6. Chris is planning a golfing trip. He plans to golf at five highly rated international golf courses. He estimates how much money he will need in each of the different currencies. For each of the countries that he will visit, calculate how much he will need in Canadian dollars (CAD). What is the total amount of Canadian money he needs?

GOLF VACATION			
<i>Country</i>	<i>Golf course</i>	<i>Estimated funds needed</i>	<i>Estimated funds needed in \$CAD</i>
United States	Pebble Beach	US\$5000.00	
Scotland	St. Andrew's	£8500.00	
China	Spring City Golf & Lake Resort	¥26 600.00	
Singapore	SAFRA Resort & Country Club	S\$15 000.00	
Austria	Leopoldsdorf	€4000.00	

SAMPLE

Extend your thinking

- T** 7. Your company produces a line of herbal vinegars. In Canada, you sell each bottle of vinegar for \$8.95 before taxes. Your company is planning to expand and sell its products in the United States and Australia.
- What would the equivalent price be for the bottle of vinegar in US and Australian dollars? Use www.rbcroyalbank.com or a similar site to calculate your conversion.
 - The costs of shipping and exporting are \$1.00/bottle to the United States and \$2.00/bottle to Australia. How much will the retail price be in the US and Australia if you incorporate shipping costs and set the price so that the income per bottle is equal to the Canadian income of \$8.95 per bottle before taxes?