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Section 5.5 Currency transactions

Example 1

A US visitor exchanged $2000 for euro when the exchange rate was €1 = $1.36. A charge was made for this service. If the person received €1444.20, calculate the charge in euro.

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1. If €1 = $1.32,

    (i)   what is the equivalent in euro of $1800

    (ii)   what is the equivalent in dollars of €2800?

2. On a visit to Ireland a US tourist changed $3000 to euro when the rate was €1 = $1.36. How much, in euro, did she receive if the exchange bureau charged $2\frac{1}{2}\%$ commission?

3. If €1 = £0.85 sterling,

    (i)   how many euro would you get for £1500?

   (ii)   how much in sterling would you get for €2000?

Exercise 5.5

€ → Other (×)   and   Other → € (÷)

4. Given that US$ = US Dollars, Y = Japanese Yen and F = Swiss Francs and
   €1 = US$1.4 = Y112 = F1.32.

   (i)   How many US$ would you get for €1200? × 1·4 = US$ 1680
   (ii) How many yen would you get for €2400? × 112 = Y 268,800
   (iii) How many euro would you get for F4500? ÷ 1·32 = € 3409.09
   (iv) How many euro would you get for US$1350? ÷ 1·4 = € 964.29
   (v)   How many US dollars would you get for Y36 000?
   (vi) How many yen would you get for F7500?

v) 36,000 ÷ 112 = € 321.43 × 1·4 = US$ 450

vi) 7500 ÷ 1·32 = € 5681·82 × 112 = Y 636,363·84.

$\in \rightarrow F \ (\times)$ $F \rightarrow \in \ \div$

5. A Swiss tourist paid 4600 francs to a travel agent for a holiday in Ireland. The cost to the travel agent of organising the holiday was €2860. $\times 1.4 = 4004 \ F$ Calculate in Swiss francs the profit made by the travel agent if €1 = 1.4 Swiss francs.

$$4600$$
$$-4004$$
$$\overline{596 \ Francs}$$

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6. When the exchange rate was €1 = 9.8 South African Rand, a woman exchanged 12 000 South African Rand to euro at a bank. The bank charged a fee for this transaction. If the woman received €1166.60, find in euro the fee charged by the bank.

$$12{,}000 \div 9.8 = € \; 1224.49$$

$$\begin{array}{r} 1224.49 \\ - \quad 1166.60 \\ \hline € \; 57.89 \end{array}$$

7. On a trip to Sweden a tourist exchanged €4500 for Swedish Krone when the exchange rate was €1 = 8.75 Krone. He spent 25 400 Krone and then on his return exchanged what he had left back into euro, when the exchange rate was now €1 = 8.60 Krone. How much did he receive in euro?

$$4500 \times 8.75 = 34375 \text{ K}$$
$$-25,400$$
$$13975 \text{ k} \div 8.60$$
$$= €1625.$$

H/W

8. An Australian tourist exchanged $2500 for euro at an Irish bank.
The bank charged a percentage commission for the transaction.
If the exchange rate was €1 = $1.36 and the tourist received €1801.47, find the percentage commission charged by the bank.

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9. A dealer bought Swiss francs when the exchange rate was €1 = 1.45 francs.
If he received 43 400 francs, find how many euro he exchanged.
Give your answer to the nearest euro.

He sold the Swiss francs when the exchange rate was €1 = 1.28 francs.
Find, correct to the nearest euro, how much the dealer lost or gained in the transaction.

1.   (i) €1363.64   (ii) $3696
2. €2150.74
3.   (i) €1764.71   (ii) £1700
4.   (i) $1680   (ii) Y268 800
     (iii) €3409.09   (iv) €964.29
      (v) $450   (vi) Y636 363.64
5. 596 Swiss Francs
6. €57.99
7. €1625
8. 2%
9. €29 931; €3975 gain