

# Currency II: Foreign Exchange | Worksheet



## Cash Course Vocab

Match the definition in Column A with the term in Column B.

### Column A

- \_\_\_\_\_ Financial ability to buy goods and services.
- \_\_\_\_\_ Difference between currency buying and selling prices.
- \_\_\_\_\_ The system of money used in a country.
- \_\_\_\_\_ Global marketplace for currency trading.
- \_\_\_\_\_ Value ratio of one currency to another.

### Column B

- a. Currency
- b. Exchange Rate
- c. Forex
- d. Purchasing Power
- e. Spread

1. **If you have 500 U.S. dollars and the exchange rate for U.S. dollars to Japanese Yen is 110, how many Japanese Yen will you receive?**
  - a. 550,000
  - b. 5,500
  - c. 55,000
  - d. 50,000
2. **Why might the exchange rate you receive at an airport kiosk differ from the official exchange rate?**
  - a. Airport kiosks use a different currency system.
  - b. The official rate is only for electronic transactions.
  - c. The spread charged by the kiosk affects the exchange rate.
  - d. Kiosks have to convert currency into U.S. dollars first.
3. **Which of the following factors can cause exchange rates to fluctuate?**
  - a. Changes in a country's weather patterns
  - b. Shifts in global oil prices
  - c. A country's economic and political stability
  - d. The number of tourists visiting a country
4. **If the exchange rate changes from 1 USD = 0.85 EUR to 1 USD = 0.90 EUR, what can be inferred about the value of the U.S. dollar relative to the Euro?**
  - a. The U.S. dollar has weakened.
  - b. The U.S. dollar has strengthened.
  - c. The Euro has become more valuable.
  - d. There has been no change in the relative value.

## Application:

You are traveling to Japan with \$1,000 USD. The exchange rate is 1 USD = 110 JPY. After converting your money, you plan to spend 50,000 JPY on accommodation and 30,000 JPY on food. How much will you have left for souvenirs? Additionally, if the exchange rate changes to 1 USD = 100 JPY before your trip, how does this impact the amount of money you have left for souvenirs?



## Currency II: Foreign Exchange | Answer Key

### Cash Course Vocab

Match the definition in Column A with the term in Column B.

#### Column A

- d. Financial ability to buy goods and services.
- e. Difference between currency buying and selling prices.
- a. The system of money used in a country.
- c. Global marketplace for currency trading.
- b. Value ratio of one currency to another.

#### Column B

- a. Currency
- b. Exchange Rate
- c. Forex
- d. Purchasing Power
- e. Spread

5. If you have 500 U.S. dollars and the exchange rate for U.S. dollars to Japanese Yen is 110, how many Japanese Yen will you receive?
- a. 550,000
  - b. 5,500
  - c. 55,000
  - d. 50,000
6. Why might the exchange rate you receive at an airport kiosk differ from the official exchange rate?
- a. Airport kiosks use a different currency system.
  - b. The official rate is only for electronic transactions.
  - c. The spread charged by the kiosk affects the exchange rate.
  - d. Kiosks have to convert currency into U.S. dollars first.
7. Which of the following factors can cause exchange rates to fluctuate?
- a. Changes in a country's weather patterns
  - b. Shifts in global oil prices
  - c. A country's economic and political stability
  - d. The number of tourists visiting a country
8. If the exchange rate changes from 1 USD = 0.85 EUR to 1 USD = 0.90 EUR, what can be inferred about the value of the U.S. dollar relative to the Euro?
- a. The U.S. dollar has weakened.
  - b. The U.S. dollar has strengthened.
  - c. The Euro has become more valuable.
  - d. There has been no change in the relative value.

### Application:

Answer:

Initial Exchange Rate Calculation:  $1,000 \text{ USD} \times 110 \text{ JPY/USD} = 110,000 \text{ JPY}$

Expenses in Japan:  $50,000 + 30,000 = 80,000 \text{ JPY}$

Amount left for Souvenirs:  $110,000 - 80,000 = 30,000 \text{ JPY}$

New Exchange Rate:  $1,000 \text{ USD} \times 100 \text{ JPY/USD} = 100,000 \text{ JPY}$

New Remaining Amount:  $100,000 - 80,000 = 20,000 \text{ JPY}$

