



Currency II: Foreign Exchange | Lesson Plan

What role does foreign exchange play in the global economy?

Students will understand the fundamental principles of foreign exchange and its significance in the global economy.

Learning Objectives:

- Identify the currencies used in different countries, such as Yen, Peso, and British Pound.
- Explain how exchange rates are determined and the factors that cause them to fluctuate.
- Compare the purchasing power of the U.S. dollar in various countries.
- Demonstrate how to calculate currency exchange using given exchange rates.

Key Vocabulary:

- **Currency:** The system of money used in a country.
- **Exchange Rate:** Value ratio of one currency to another.
- **Foreign Exchange Market (Forex):** Global marketplace for currency trading.
- **Purchasing Power:** Financial ability to buy goods and services.
- **Spread:** Difference between currency buying and selling prices.

Educational Standards: CCRA.R.7, CCRA.R.1, CCRA.W.2, CCRA.W.6, CCRA.R.7, CCRA.SL.1, CCRA.SL.2, CCSS.MP2, CCSS.MP4, CCSS.MP5, CCSS.MP6, CCSS.MP7

Academic Subject Areas: Financial Literacy, Money, Investors

What You'll Need

- Video: *Ca\$h Cour\$e: Currency II: Foreign Exchange* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: Currency II: Foreign Exchange* (Click [Here](#))
- Classroom whiteboard and dry-erase markers (Or a technology resource if available).

Lesson Plan (45 mins.)

Warm-Up: (10 mins.)

1. Briefly introduce the topic of foreign exchange and currency and ask students what they know about the topic. Introduce key vocabulary words by writing them on the whiteboard.
2. Describe a scenario where students imagine themselves about to travel the world and visit Mexico, Japan, and England. Explain that they will need Mexican Pesos, Japanese Yen, and British Pounds in order to purchase goods and souvenirs.
3. Show students the exchange rates for three different countries: Mexican Pesos, Japanese Yen, and British Pounds. Ask students to calculate how much money they would have in each country if they exchanged \$100.

Scan to watch episode:



- 1 USD = 20 MXN (Pesos)
 - 1 USD = 110 JPY (Yen)
 - 1 USD = 0.75 GBP (British Pounds)
4. Solve and discuss solutions with the class (2,000 MXN, 11,000 JPY, and 75 GBP).

Watch and Discuss: (25 mins.)

1. Introduce the video “*Ca\$h Cour\$e: Currency II: Foreign Exchange*” to the students and explain that it will cover key concepts related to currency and exchange rates, providing a foundation for understanding how foreign exchange impacts global trade and travel.
2. Watch the video as a class. Pause at opportune moments to ask questions and check for understanding of key vocabulary words and their meaning.
3. After the video, discuss the following:
 - What is currency, and why do different countries use different currencies?
 - What is an exchange rate, and how does it affect the amount of foreign currency you receive when you exchange money?
 - Why do exchange rates fluctuate, and what factors influence these changes?
 - What are some places where you can exchange currency? Why might the exchange rate differ at these places compared to the official rate?
 - What is the Foreign Exchange Market (Forex), and what role does it play in currency exchange?
4. Allow students to ask questions and volunteer experiences with exchanging currency.

Wrap-Up: (10 mins.)

1. Distribute the “*Ca\$h Cour\$e: Currency II: Foreign Exchange Worksheet*” for students to complete individually or in groups. Consider collecting as a formative assessment.
2. Correct as a class and invite questions or comments from students.
3. Encourage students to explore more about foreign exchange. Suggest they keep an eye on exchange rates for different currencies and try out some of the activities mentioned in the lesson, such as comparing the cost of items in various countries or trying small currency exchanges with friends.
4. Close with an explanation that knowledge is power. By understanding the world of foreign exchange, students will be able to make more savvy financial choices when preparing for a trip.

Don't have time for the full lesson? Quick Activity (10-15 mins.)

Distribute the worksheet and allow students to complete it while they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.