

Mental Math

1) \$ 2.36

$$\begin{array}{r} -0.95 \\ \hline \end{array}$$

3) \$7.88

$$\begin{array}{r} 2.14 \\ +1.36 \\ \hline \end{array}$$

2) \$9.14

$$\begin{array}{r} + 6.12 \\ \hline \end{array}$$

4) \$2.00

$$\begin{array}{r} 1.36 \\ + 8.12 \\ \hline \end{array}$$

5) \$5.56

$$\begin{array}{r} 6.36 \\ +1.25 \\ \hline \end{array}$$

Exchange Rate

<http://www.youtube.com/watch?v=xwtgByffoUw>

<http://www.bankofcanada.ca/rates/exchange/usd-can-summary/>

Exchange Rate

In finance, an exchange rate is the rate at which one countries currency will be exchanged for another countries currency. It is also regarded as the value of one country's currency in terms of another currency.

Selling Suggested Counter Rate

– is the rate you pay when bank sells you a foreign currency.

Buying Suggested Counter Rate

– is the rate you get when bank buys your foreign currency

Convert Canadian to American

ex. \$200 American x Selling rate = amount of Candaian money you will pay

Have \$200 Canadian divide by Selling rate = amount of American money you will have

Convert American to Canadian

ex \$200 American x Buying Rate

AM RATE
 $200 \times 1.1142 = 222.84 \text{ CDN}$

CDN
 $200 \div 1.1172 = 179.50 \text{ AMERICAN}$

The quoted rates will incorporate an allowance for a dealer's margin (or profit) in trading, or else the margin may be recovered in the form of a "commission" or in some other way.

Different rates may also be quoted for cash (usually notes only), a documentary form (such as traveller's cheques) or electronically (such as a credit card purchase).

The higher rate on documentary transactions is due to the additional time and cost of clearing the document, while the cash is available for resale immediately. Some dealers on the other hand prefer documentary transactions because of the security concerns with cash.

Canadian Dollar-Based Rates



Canadian Dollar Based Rates (CAN \$)				
Bank Buying Rate	Country	Currency	Currency Symbol	Bank Selling Rate
0.8251	Australia	Dollar (AUD)	\$	0.9351
1.4732	Austria	Euro	€	1.6238
0.5055	Brazil	Real	R\$	0.6533
0.1456	China	Yuan	¥	0.1751
0.1890	Croatia	Kuna		0.2358
0.1949	Denmark	Krone (DKK)	kr	0.2206
1.7005	England	Pound	£	1.8747
1.4732	France	Euro	€	1.6238
1.4732	Germany	Euro	€	1.6238
0.1309	Hong Kong	Dollar (HKD)	HK\$	0.1491
0.0049	Hungary	Forint		0.0062
1.4732	Italy	Euro	€	1.6238
0.0108	Japan	Yen	¥	0.0120
0.0777	Mexico	Peso	\$	0.0893
1.6809	N. Ireland	Pound	£	1.8747
0.6607	New Zealand	Dollar (NZD)	\$	0.7496
0.1647	Norway	Krone (NOK)	kr	0.1866
0.2607	Saudi Arabia	Riyal	ﷻ	0.3201
1.6810	Scotland	Pound	£	1.8747
0.6997	Singapore	Dollar (SGD)	\$	0.8194
0.1268	South Africa	Rand	R	0.1487
0.1374	Sweden	Krone (SEK)	kr	0.1554
0.9631	Switzerland	Franc (CHF)	F	1.0739
0.0294	Thailand	Baht	฿	0.0341
1.0541	United States	Dollar (USD)	\$	1.1142

As of Monday, June 1, 2009. Courtesy of Custom House Global Exchange.

- Note:
1. The following 12 countries all use the "Euro" as their currency: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain.
 2. The following countries use the "Pound" as their currency (England, N. Ireland, Scotland and Wales).

Ex 1 a) You are planning a ~~trip~~³⁰⁰ to the United States. You figure you'll need \$200 American dollars for the holiday. Use the foreign cash bulletin, calculate your cost of purchasing ~~\$200~~³⁰⁰ U.S. with Canadian money. (Using chart from notes)

$$300 \times 1.1142 = \$334.26$$

↑ WE WANT 300 AMERICAN

↑ BANK SELLING RATE

↑ WILL COST 334.26 US Cdn \$

b) The trip is cancelled. Convert your ~~\$200~~³⁰⁰ U.S. back to Canadian currency at the bank.

$$\begin{array}{c} \$300 \times 1.0541 = 316.23 \\ \uparrow \\ \text{AMERICAN} \end{array}$$

BANK BUYING ~~SELL~~

✓

Ex 2 Your grandmother, who lives in Hong Kong, sent you a money order for \$500 Hong Kong dollars.

*Calculate the amount of Canadian money you would receive, using the foreign cash bulletin.