

Currency & Exchange Rates

Name: _____ **Date:** _____

LEARNING OBJECTIVE

The student will use real currency exchange rates to convert amounts between the U.S. dollar and two foreign currencies.

MATERIALS NEEDED

- Internet-connected device (to look up current exchange rates) or a provided exchange rate chart
- calculator
- paper
- pencil

HANDS-ON ACTIVITY

1. Look up (or use provided) current exchange rates for the U.S. dollar compared to two other currencies of your choice (e.g., Euro, British Pound, Japanese Yen, Mexican Peso).
2. Choose three prices in U.S. dollars (e.g., \$10, \$50, \$200) and calculate what each amount equals in your two chosen foreign currencies using the exchange rate.
3. Imagine you're planning a \$500 trip souvenir budget to one of your chosen countries -- calculate how much that is in the local currency.
4. Research one item's typical price in that foreign country in its local currency (e.g., a meal, a train ticket) and convert it back to U.S. dollars to see if it's cheaper or more expensive than in the U.S.
5. Record all your calculations in a clearly labeled table.

QUESTIONS

1. **What two currencies did you research, and what were their exchange rates compared to the U.S. dollar?**

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2. **Show your calculation for converting \$200 into one of your chosen foreign currencies.**

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3. **How much would your \$500 souvenir budget be worth in your chosen country's local currency?**

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- 4. Why do exchange rates matter for international trade and travel -- what could happen to a traveler's budget if the exchange rate changes significantly between when they save money and when they travel?**
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