

Currency Exchange Practice - ANSWERS

1. Yusuf takes a trip to Dubai with GBP £1200.00 in spending money, he receives an exchange rate of 1 Pound Sterling to 4.39 Dubai Dirham (UAE Dirham). Yusuf spends 3,450 Dirham and upon arriving back at Glasgow, decides to change his Dirham back into Pounds Sterling at the rate of 0.2578

How much does Yusuf now have in his pocket in Pounds Sterling rounding off to the nearest Pound? (Zero pennies)

£1200.00 x 4.39 = Dubai Dirham 5,268.00

(CHECK: Same amount of money, different currencies, Dirham is the larger number because 1 Pound Sterling is the equivalent to a larger number of 4.39 Dirham)

Dubai Dirham 5,268.00 minus 3,450 leaves Dubai Dirham 1,818

Arriving back at Glasgow, changes 1818 x 0.2578 = Pounds Sterling 468.6804

ANSWER: Rounded Off to £469

2. Carol receives Australian Dollars 590.00 from a friend in Brisbane. She spends AUD 50.50 whilst travelling in Australia. Carol wants to get ready to travel to Las Vegas, USA and needs to ensure her money is in US Dollars. The current exchange rate is 0.67 Australian Dollars to 1 US Dollar.

Carol hopes to buy a helicopter ride for USD 450 in advance. Has Carol enough money? Does Carol need more money or will Carol have money left over in her pocket, How much?

AUD 590.00 less AUD 50.50 = AUD 539.50

Exchange of AUD 539.50 x 0.67 = USD 361.47 (rounded up to nearest cent from 361.465)

(CHECK: Same amount of money exchanged, different currency, AUD is the larger number)

USD 361.47 not enough for USD 450 helicopter ride. 450.00 minus 361.47 = 88.53

Therefore, the ANSWER is: Carol needs USD 88.53 more to have the helicopter ride.

3. Senga has US Dollars 580 in a purse. Arriving back at Glasgow Airport from a business trip to Texas, USA, a travel foreign exchange office offers an exchange rate of 1.15 US Dollars to 1 Pound Sterling. The taxi home costs Sterling £38.50 and a carry out meal costs £15.90

How much does Senga have remaining in cash, in Pounds Sterling?

USD 580.00 divided by 1.15 = Pounds Sterling 504.35 (rounded from 504.3478)

CHECK: Again, the US Dollar is the larger number, Pound Sterling should be the smaller number, even though it is the same value of money.

£504.35 less Taxi £38.50 and Meal £15.90 = £449.95

ANSWER: Senga has Pounds Sterling 449.95 remaining in cash.