

Vacation!

The Brown family are going to visit many different countries on their vacation.

From their home in **New York** they travel to **Toronto** (Canada), **London** (England), **Rome** (Italy), **New Delhi** (India), **Tokyo** (Japan) and **Sydney** (Australia), before returning home across the Pacific.

The route is shown on the following map:



Mr. Brown uses his credit card to change money from USD (\$US) to the local currency in each of the locations they visit.

Because currencies change all the time, the amount of money Mr. Brown receives in each local currency will change from day to day. But the following table (old data) will give you an idea of how currencies are converted:

Currency	Code	USD/1 unit	Units/ 1 USD
Australian Dollar	AUD	0.9612	1.0405
Canadian Dollar	CAD	0.9788	1.0219
Euro	EUR	1.3065	0.7655
British Pound	GBP	1.5553	0.6431
Indian Rupee	INR	0.02174	46.1225
Japanese Yen	JPY	0.011916	83.9337

You will notice that there are two sets of figures for each country – the USD/ 1 unit and the Units/ 1 USD. This is because you get one rate for changing from \$US to the foreign currency and a different rate for changing back from the foreign currency to the \$US. This is how the banks make their money.

Note The banks also make a commission on every transaction, so they make even more money out of us! But to keep things simple we will ignore that.

So which figure should you use?

The USD/ 1 unit figure tells us how to convert one unit of the foreign currency to the US currency. The Units/ 1 USD figure tells us how to convert one unit of the US currency to the foreign currency.

Let's look at an example

Mr. Brown converts USD500 to Canadian dollars. How much does he receive?

We are converting to Canadian dollars, so we use the second row of the table We are converting from the US currency to the Canadian currency, so we should use the Units/ 1 USD column:

Currency	Code	USD/1 unit	Units/ 1 USD
Australian Dollar	AUD	0.9612	1.0405
Canadian Dollar	CAD	0.9788	1.0219
Euro	EUR	1.3065	0.7655
British Pound	GBP	1.5553	0.6431
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So he receives $USD500 \times 1.0219 = CAD510.95$

Your Turn

How much will Mr. Brown receive if he changes

- USD1000 to British pounds?
- USD650 to Euro?
- USD400 to Indian Rupees?

Your Turn

Mr. Brown also has some other money left over. How much will he receive in USD for:

- 2,000 Yen?
- 3,500 Indian Rupees?
- 70 Euro?