Name:

Date:

Facilitator:

School:

7.02 How Much Does it Cost?

1. These are the exchange rates for select countries with the US dollar. In the last column identify whether the US dollar has appreciated or depreciated relative to each currency.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Foreign Currency rate per dollar 2012** | **Foreign Currency rate per dollar 2014** | **Has the US dollar appreciated or depreciated?** |
| British Pound | .619 | .641 |  |
| Canadian Dollar | .994 | 1.14 |  |
| Chinese Yuan | 6.24 | 6.17 |  |
| French Euro | .756 | .816 |  |
| Japanese Yen | 85.96 | 121 |  |
| Mexican Peso | 13.01 | 14.4 |  |

2. Use the exchange rates above to calculate how much each of the items listed below will cost in US dollars for both 2012 and 2014. The costs for each item are the actual costs as of December 2014. Divide the price of the foreign currency by exchange rate per dollar. *Show your calculations for partial credit.*

|  |  |  |
| --- | --- | --- |
|  | **2012** | **2014** |
| Jar of Mayonnaise in Japan  256 yen |  |  |
| Volkswagen Golf in China 150,000 Yuan |  |  |
| 1 Bedroom apartment in Mexico 4,357 pesos |  |  |
| 2 pound sirloin steak in Canada 17.71 Canadian Dollars |  |  |
| 1 movie ticket in France  9.50 Euro |  |  |
| 1 Double Whopper in England  4.79 |  |  |

3. What general observation can you make about what it means for the US dollar to appreciate?

4. You will now assume the role of a foreign visitor who travels to the US as a tourist. Convert the cost of the US items into the cost of foreign currency. Use the 2014 exchange rates. To calculate the cost this way, take the cost of the meal and multiply by the exchange rate per dollar. *Show your calculations for partial credit.*

|  |  |  |
| --- | --- | --- |
|  | **A $150 dollar meal at a local steakhouse** | **A four day trip to Disneyworld for a family of four $1252** |
| British Pound |  |  |
| Canadian Dollar |  |  |
| Chinese Yuan |  |  |
| French Euro |  |  |
| Japanese Yen |  |  |
| Mexican Peso |  |  |