# Currency Exchange

I have just been to South America and Europe. Iwas told that South American countries accepted USD and that the Euro (EUR) would be fine in Europe.

So –I needed to have some of these two currencies.

*How do I get them?* I go to my local bank and basically buy USD and EUR. The price I have to pay is called ‘the exchange rate’. This rate fluctuates all the time as countries’ economies get stronger or weaker relative to each other.

For instance, I found the NZD/USD rate to be very high at the moment because the NZ economy has recovered better from the 2009 crash than USA has.

When I went on line to a ‘Currency Converter’ site called XE, I found an easy way to get exchange rates.

**Step 1.** Enter amount of currency.

**2.** Choose which country currency you wish to sell – in this case, NZ.

**3.** Choose which country currency you wish to buy.

**4.** Push go.

**5.** Take note of the rate of the day, as this will probably be different next time you change currency. It can be interesting to follow this.

I see that NZD will buy me about 80c USD

The full rate shown is in fact 1 NZD = 0.805826 USD

and 1 USD = 1.24096 NZD

So look at some examples:

Convert $200NZ to USD

Using a calculater 200 x 0.805826 = $161.16 US

Using XE computer site = 161.16 US

The difference is because the rate has changed in the 3 minutes that I have been typing this. The rate on the computer 3 minutes later is now 1 1 NZ = 0.805608 USD

**With a partner, using the XE site, or using a calculater, convert:**

**a)**$280 NZD to USD

**b)**$1500NZD to USD

**c)**$200USD to NZD

**d)** If I wanted $5000 US, how much NZ would I have to exchange?

***Got it? Let’s move on...***

**My Trip.**

1. I took $5000NZD from my savings account and changed 70% into Euro (EUR), and 30% into USD.
2. How much USD
3. How much EUR
4. When I was in panama, I bought a new back pack for $33USD. How much was this in NZD?
5. When I was in Peru I bought an alpaca scarf for $80 USD. How much was this in NZD?

When I was in Cuba I tried to buy 6 Cuban straw hats for me and my family. OH NO!!! *Cuba doesn’t take $USD. Why not?*

*(America and Cuba have never got on and have come close to war a couple of times. GOOGLE ‘Bay of Pigs Invasion). In 2004, the Cuban Government instructed it’s people not to deal in $USD anymore but introduced what is called ‘Convertible Peso’ – or tourist dollars, for tourists to use. Cubans themselves use ordinary Pesos, which are different. CONFUSED?? Crazy! Don’t worry – it doesn’t matter.)*

So I had to change some of my Euro for Convertible Peso, known as CUC.

Back to the hats... The guy in the market asked me for 6 CUC per hat.

Right – time to bargain. “ I want 6 hats. I’ll give you 12 CUC for 6”.

“Hmm” said the man, “make it 18 CUC”. “DEAL”.

So looking at the XE site again:

18CUC = 12.614EUR

Rate: 1 CUC = 0.700913EUR

1. How much did these hats cost me in Euro?
2. How much did these hats cost me in NZD?
3. I have 2 CUC to show you. How much are they worth in NZD?
4. If the CUC to NZD rate is 1 CUC = 1.24165 NZD now, but was

1 CUC + 1.30016 in May, would I have been better off to change my 2 CUC to NZD then?

1. How much better/worse off?
2. After Sth America, I flew to Rome, Italy, where I bought a really nice dress to wear to a wedding. It was on sale for 300EUR. Not bad?

How much did this dress cost in NZD? OUCH – Don’t tell my husband!

1. Italy is famous for it’s leather so I looked to buy some shoes. I had seen a pair of Italian leather shoes in NZ before I left for $350NZD. I saw a very similar pair in Rome for 280EUR. I couldn’t decide.

Should I have bought the shoes in Italy or waited and bought them back in NZ?

11.When I arrived in Prague, Czech Republic, I took a taxi to my hotel. It turned out to be only a 5 km ride. “That will be 600Crowns” stated the taxi driver. What!! Apparently Czech still prefers to deal in Koruna (CZK) – nicknamed crowns. I told him that I only had Euro on me.

“Oh well, make it 30EUR” the driver answered.

Did he rip me off with his conversion to EUR?

12.If I had said “No way mate, you have overcharged me by 100%, so I am reducing your bill by that amount and are paying you in USD. How much would this be in USD? (17USD) Yes?

1. When I flew home I stopped in Singapore. I changed my last 120Euro into Singapore dollars. (SGD). The rate was 1 EUR \_ 1.77343SGD

What did I get?

1. 24 hours later, I flew out and had not used any Singapore dollars as I paid my dinner and hotel bill with my credit card. So, I changed my

$212 SGD to NZD. What did I get in NZD?

1. Would I have been better off to convert my 120EUR straight into NZD? Did I lose money by converting them into SGD first?
2. When I unpacked I found:

$35USD, 124.15EUR, 180SCD, 28CZK

I took it all to the bank. How much did I get in NZD?