Unit 4 · Currency and Exchange Rate

WORKSHEET

Full marks 30

Name _____ Class _____ Roll no. _____ Date _____ Marks _____ / 30

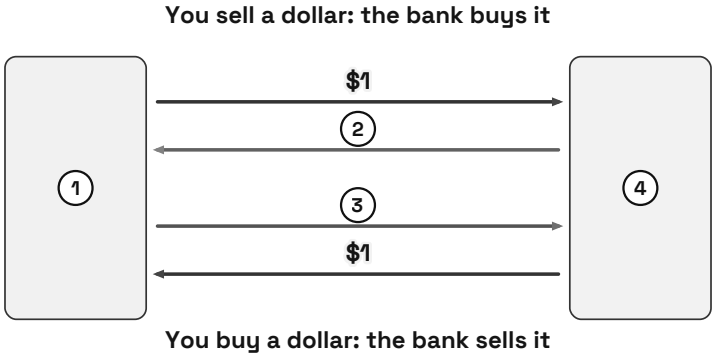
1 Key words [3]

Match each word in Column A with its meaning in Column B. Write the letter in the box. One meaning in Column B is not needed. Each match carries 0.5 mark.

Column A		Column B
1. foreign currency	☐	**a.** a rise in the rupee's value: a foreign currency costs fewer rupees
2. exchange rate	☐	**b.** what a bank charges you for a unit of foreign currency
3. buying rate	☐	**c.** the price of one currency in another
4. selling rate	☐	**d.** a fall in the rupee's value: a foreign currency costs more rupees
5. devaluation	☐	**e.** the tax paid on goods brought into a country
6. revaluation	☐	**f.** what a bank pays you for a unit of foreign currency
		g. the money of another country

2 Fill the diagram [2]

The drawing shows a bank changing US dollars on a day when its rates for $1 were Rs 127.35 and Rs 127.95. Write what belongs in each numbered box. Each carries 0.5 mark.



1. _____ **2.** _____

3. _____ **4.** _____

3 Multiple choice [5]

Choose the correct option for each of the following questions.

i. A bank's rates for $1 are Rs 152.06 (buying) and Rs 152.66 (selling). Sita brings $100 home from abroad and changes it into rupees. Which rate does the bank use? [1]

a. Rs 152.06, its buying rate
b. Rs 152.66, its selling rate
c. the average of the two
d. whichever Sita chooses

ii. ₹100 = Rs 160. How many Nepali rupees is ₹2,500? [1]

a. Rs 400 **b.** Rs 1,562.50

c. Rs 4,000 **d.** Rs 40,000

iii. $1 = Rs 140. The Nepali rupee is devalued by 5%. What is the new rate, as the SEE works it? [1]

a. $1 = Rs 133 **b.** $1 = Rs 145

c. $1 = Rs 147 **d.** $1 = Rs 154

iv. A bank sells Japanese yen at ¥10 = Rs 9.62. How much does ¥20,000 cost? [1]

a. Rs 1,924 **b.** Rs 2,079

c. Rs 19,240 **d.** Rs 1,92,400

v. The Nepali rupee is devalued against the US dollar. Who gains? [1]

a. a family in Nepal that receives dollars from abroad

b. a student in Nepal paying fees to a US college

c. a shop in Nepal importing goods priced in dollars

d. a Nepali tourist going to the USA

4 Very short answers [3]

Write very short answers to the following questions.

a. What is a bank's buying rate? [1]

b. A bank sells dollars at $1 = Rs 152.66. How much do $50 cost? [1]

c. A worker brings AED 2,000 home from Dubai. The bank buys dirhams at AED 1 = Rs 41.40. How many rupees does he get? [1]

5 Short answers [6]

Write short answers to the following questions.

a. Why does a bank have two rates for each currency, and which is the higher? [2]

b. Gita changed Rs 1,00,000 into US dollars at $1 = Rs 127.95. She wrote: 100000 × 127.95 = $1,27,95,000. Find her mistake and write the correct amount. [2]

c. $1 = Rs 150. The Nepali rupee is revalued by 5%. How many more dollars does Rs 57,000 buy than before? **[2]**

6 Problems **[9]**

Solve the following problems. Show your working.

a. A businessman changed Rs 12,40,000 into US dollars at $1 = Rs 124. A week later the Nepali rupee was devalued by 10%, and he changed the dollars back into rupees. Find his profit or loss. **[3]**

Answer:

b. A Nepali who does business in Australia came home on family work and decided to take 500 pashmina shawls back with him. He bought them at Rs 3,500 each, paid 5% export tax, and paid 30 Australian dollars to carry them from the airport to where he lives. He sold the shawls for 80 Australian dollars each. Find his profit or loss percent. (AUD 1 = Rs 88.50) **[4]**

Answer:

c. If CNY 1 = Rs 18.70 and SAR 1 = Rs 33.91, change CNY 5,612 into Saudi riyals. **[2]**

Answer:

7 Think [2]

Think, then answer.

The Nepali rupee is devalued by 10% against the dollar (the dollar's rate is multiplied by 1.1). A family abroad keeps sending $500 a month. Does the family at home get 10% more rupees? Does one rupee now buy 10% fewer dollars? Explain.

8 Activity: Read a rate board (not marked)

Find today's exchange rates on a bank's board, in a newspaper, or on Nepal Rastra Bank's website. Fill in the table for four currencies.

	1	2	3	4
currency and unit				
buying rate, Rs				
selling rate, Rs				
gap, Rs				
gap as % of selling rate				

Which currency has the smallest gap? Why do you think so?