



# Exchange rates

- The value of the New Zealand dollar changes with time.
- Its value also changes in relation to other currencies.
- Changes in its value are important when calculating the cost of overseas goods or travel.
- You can use the same method as in proportion calculations.

Exchange rates used in the examples and exercises:

$$\text{\$NZ1} = \text{€0.65 (euro)}$$

$$\text{\$NZ1} = \text{£0.49 (pounds sterling)}$$

$$\text{\$NZ1} = \text{\$US0.74 (US dollar)}$$

**Example 1:** Michelle takes \$3000 spending money with her to the United States. How many \$US is that worth?

$$\text{\$NZ1} = \text{\$US0.74}$$

$$\begin{aligned} \therefore \text{\$NZ3000} &= \text{\$US0.74} \times \frac{3000}{1} \\ &= \text{\$US2220} \end{aligned}$$

**Example 2:** Ali returns to New Zealand with €8500 earned while working in the Netherlands. How many \$NZ will he get when he banks it?

$$\text{€0.65} = \text{\$NZ1}$$

$$\begin{aligned} \therefore \text{€8500} &= \text{\$NZ1} \times \frac{8500}{0.65} \\ &= \text{\$NZ13 076.92} \end{aligned}$$

Solve the following exchange rate problems.

1 Convert \$NZ2500 to €.

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2 Convert \$NZ2500 to \$US.

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3 Convert \$NZ2500 to £.

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4 Convert €150 to \$NZ.

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5 Convert \$US600 to \$NZ.

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6 Convert £15 to \$NZ.

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