

MBA 6601, International Business

Exchange Rate Examples

Rates table

Country/Currency	USD value for 1 unit of another currency (as of 3/15/16)
Euro(€)	1.124897
Japanese yen(¥)	.008847
Swiss franc(F)	1.030061

One-step examples

Example 1: Convert \$3,000 to euros.

Divide the dollar amount by the given euro rate (1.124897).
 $\$3,000 \div 1.124897 = \mathbf{\text{€}2,666.91}$

Example 2: Convert \$3,000 to yen.

Divide the dollar amount by the given yen rate (.008847).
 $\$3,000 \div .008847 = \mathbf{\text{¥}339,098}$

Example 3: Convert F1,500 to U.S. dollars.

Multiply the Swiss franc amount by the given Swiss franc rate (1.030061).
 $\text{F}1,500 * 1.030061 = \mathbf{\$1,545.09}$

Example 4: Convert €16,000 to U.S. dollars.

Multiply the euro amount by the given euro rate (1.124897).
 $\text{€}16,000 * 1.124897 = \mathbf{\$17,998.35}$

Multiple-step Examples

In some cases, it may take a few steps to calculate the currency since only the most frequently used rates are provided by financial media. An example would be converting euros to yen. (You do not have to use this method to complete your assignment if you are familiar with an alternative method.)

Example 5: Convert €3,000 to yen

Step 1: Convert euros to dollars, $\text{€}3,000 * 1.124897 = \$3,374.69$
Step 2: Convert dollars to yen, $\$3,374.69 \div .008847 = \mathbf{\text{¥}381,450.32}$

Example 6: Convert ¥50,000 to Swiss francs.

Step 1: Convert yen to dollars, $\text{¥}50,000 * .008847 = \442.35
Step 2: Convert dollars to Swiss francs, $\$442.35 \div 1.030061 = \mathbf{\text{F}429.44}$

Practice

Country/Currency	USD value for 1 unit of another currency
Euro(€)	1.121303
Japanese yen(¥)	.008878
British pound (£)	1.428021

Convert \$8,000 into the following currencies:

1. Euros –
2. Yen –
3. Pounds –

Convert the following into U.S. dollars:

4. €1,000 –
5. ¥60,000 –
6. £400 –

Convert the following:

7. €2,000 to pounds
8. ¥70,000 to pounds

Note: Solutions are on the following page.

Solutions

1. €7,134.56
2. ¥901,103.85
3. £5,602.16
4. \$1,121.30
5. \$532.68
6. \$571.21
7. £1,570.43
8. £435.19