

**exercise 1-428-701**  
**March 31, 2008**

## Understanding Exchange Rates Quiz (C)

### Question 1

You are interested in taking a trip from the US to Great Britain. After visiting Great Britain, you plan on taking the Euro Rail to France (which uses the euro as currency). The following exchange rates apply:

- 1.9841 USD / GBP
  - 1.5185 USD /EUR
- A. On your visit to Great Britain, you decide to purchase some watches for 145 GBP. How much does this cost you in USD?
- a. 73.08
  - b. 287.7
  - c. 0.013
  - d. 167.01
- B. Before leaving Great Britain for France, you realize that you have 500 GBP remaining. How many Euros can you receive in exchange for your British pounds?
- a. 382.7
  - b. 653.3
  - c. 759.2
  - d. 329.2
- C. You spend a few days in France and then decide to return to Great Britain. During your time in France, the British pound has appreciated 5% against the euro. What is the new GBP/EUR exchange rate?
- a. 2.083
  - b. 0.765
  - c. 1.372
  - d. 0.729



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