

exercise 1-428-702
March 31, 2008

Understanding Exchange Rates Quiz (D)

Question 1

At the beginning of March 2008, the following exchange rates applied:

- 1.0427 Swiss Franc/USD
- 1.5211 USD/EUR

- A. What is the Swiss Franc/EUR exchange rate?
- 1.459
 - 1.586
 - 0.685
 - 0.630
- B. If the Swiss Franc appreciated by 10% against the euro, what would the new Swiss Franc/EUR exchange rate be?
- 1.442
 - 0.694
 - 1.762
 - 0.567
- C. If the US dollar appreciated by 20% against the euro, what would be the new Swiss Franc/EUR exchange rate?
- 1.216
 - 1.321
 - 0.8226
 - 1.267



Published by GloLens, a division of the William Davidson Institute at the University of Michigan.

© 2010 William Davidson Institute. Research Associate Moses Lee developed this exercise under the supervision of Robert E. Kennedy, the Tom Lantos Professor of Business Administration at the Ross School of Business at the University of Michigan.