3.9 Exchange Rates: 1-hour Pack

EDEXCEL 1MA1 · Calculator allowed · about 60 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions. Show all your working.

1 A shop advertises the rate 1 euro = £0.86. How many pounds would a traveller get for 50 euros? Give your answer to 2 decimal places.

(Total for Question 1 is 2 marks)

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2 Work out 150 US dollars in pounds. Use the exchange rate 1 GBP = 1.35 USD. Give your answer to 2 decimal places.

(Total for Question 2 is 2 marks)

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3 Convert £200 to US dollars, then convert the result to Australian dollars. Use 1 GBP = 1.30 USD and 1 USD = 1.45 AUD. Work out how many Australian dollars you receive.

(Total for Question 3 is 3 marks)

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4 Mixed rates: A shop in Spain prices a jacket at 89 euros. The rate is £1 = 1.15 euros. The shop will accept payment in pounds using this rate. A customer has £70. Can the customer buy the jacket? Show calculations and state yes or no.

(Total for Question 4 is 3 marks)

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5 A family need 350 euros for a trip. The exchange rate is £1 = 1.25 euros. How many pounds should they change, giving answer to 2 decimal places?

(Total for Question 5 is 4 marks)

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6 The exchange rate is £1 = 1.17 euros. Amelia changes £60 into euros. Work out how many euros Amelia receives.

(Total for Question 6 is 2 marks)

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7 A bank charges 2.5% commission on the amount in pounds when buying euros. A customer wants to receive 400 EUR. The rate is 1 GBP = 1.16 EUR. Work out how many pounds the customer must pay. Give your answer to 2 decimal places.

(Total for Question 7 is 3 marks)

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8 Multi-step: A student changes £120 to Swiss francs. The rate is £1 = 1.34 Swiss francs. The exchange agent charges 1.5% commission on the amount in francs. Work out how many Swiss francs the student receives after the commission. Give your answer to 2 decimal places.

(Total for Question 8 is 5 marks)

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9 A currency board shows 1 US dollar = £0.85 and 1 euro = 1.12 US dollars.

(a) Convert 120 US dollars to pounds. **(1)**

.....

(b) Convert 90 euros to pounds using the rates given. **(2)**

.....

(Total for Question 9 is 3 marks)

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10 A student needs 750 USD. The bank rate is 1 GBP = 1.36 USD. The bank charges a fixed commission of £4 plus 1% of the amount in pounds exchanged. Work out how many pounds the student pays. Give your answer to 2 decimal places.

(Total for Question 10 is 3 marks)

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11 A travel agent buys euros at a wholesale rate of £1 = 1.30 euros and sells to customers at £1 = 1.22 euros. Emma needs 260 euros for a trip and buys these euros from the agent.

(a) How many pounds does Emma pay to get 260 euros at the agent's selling rate of £1 = 1.22 euros? **(2)**

.....

(b) If the agent acquired the 260 euros at the wholesale rate 1.30 euros per pound, calculate the agent's gross profit in pounds on Emma's purchase. Give your answer to 2 decimal places. **(3)**

.....

(Total for Question 11 is 5 marks)

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12 A person wants to change £500 to Japanese yen (JPY). The exchange rates available are:
Bank A: £1 = 155.4 JPY with a commission of 0.5% on the pound amount.
Bank B: £1 = 154.1 JPY with no commission.

(a) How many JPY are received from Bank A after paying 0.5% commission on the £500? Give your answer to the nearest whole JPY. **(3)**

.....

(b) How many JPY are received from Bank B, and which bank is better? Show your working. **(3)**

.....

(Total for Question 12 is 6 marks)

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Mark scheme · 3.9 Exchange Rates: 1-hour Pack

Question 1

multiply 50 by 0.86 or use 50 * 0.86 **M1**

£43.00 cao **A1**

Answer: £43.00

Question 2

Divide dollars by 1.35 to convert to pounds (150 ÷ 1.35) **M1**

111.11 awrt (to 2 dp) **A1**

Answer: £111.11 awrt

Question 3

Convert £200 to USD: 200 × 1.30 = 260 USD **M1**

Convert 260 USD to AUD: 260 × 1.45 **M1**

377 AUD cao **A1**

Answer: 377 AUD

Question 4

convert £70 to euros: 70 * 1.15 = 80.5 euros **M1**

compare 80.5 euros with price 89 euros and conclude cannot buy **M1**

No, the customer cannot buy the jacket; they have 80.50 euros < 89 euros cao **A1**

Answer: No. 70 * 1.15 = 80.50 euros, which is less than 89 euros.

Question 5

divide euros needed by rate: 350 / 1.25 **M1**

calculate 350 / 1.25 = 280 **M1**

£280.00 cao **A1**

answer to 2 decimal places **A1**

Answer: £280.00

Question 6

correct method: multiply 60 by 1.17 or show 60 * 1.17 **M1**

70.2 euros cao **A1**

Answer: 70.20 euros (or 70.2 euros).

Question 7

Find pounds needed before commission: 400 ÷ 1.16 = 344.827586... **M1**

Include 2.5% commission on pounds: 344.827586... × 1.025 **M1**

353.45 awrt (to 2 dp) **A1**

Answer: £353.45 awrt

Question 8

convert £120 to francs: 120 * 1.34 **M1**

calculate 120 * 1.34 = 160.8 francs **M1**

find commission 1.5% of 160.8: 0.015 * 160.8 **M1**

subtract commission: 160.8 - 2.412 = 158.388, rounded to 158.39 **M1**

158.39 francs cao to 2 dp **A1**

Answer: 158.39 Swiss francs

Question 9

(a) £102 cao **B1**

(a) Answer: £102

(b) convert euros to dollars then to pounds or combine rates: 90 * 1.12 * 0.85 **M1**

(b) £85.68 cao **A1**

(b) Answer: £85.68

Question 10

Find base pounds: 750 ÷ 1.36 = 551.470588... **M1**

Find commission 1% of base and add fixed £4: 551.470588... × 0.01 + 4 added **M1**

560.99 awrt (to 2 dp) **A1**

Answer: £560.99 awrt

Question 11

(a) method: divide euros by rate 260 / 1.22 **M1**

(a) £213.11 to 2 dp cao **A1**

(a) Answer: £213.11

(b) method: find cost in pounds at wholesale 260 / 1.30 **M1**

(b) subtract cost from amount paid: 213.11475... - (260/1.30) **M1**

(b) £13.11 to 2 dp cao **A1**

(b) Answer: £13.11

Question 12

(a) find commission: 0.5% of 500 = £2.50 or show 500 * 0.005 **M1**

(a) subtract commission to find net pounds: 500 - 2.5 = 497.5 **M1**

(a) receive 497.5 * 155.4 = 77,312 JPY (to nearest whole) cao **A1**

(a) Answer: 77,312 JPY

(b) method: 500 * 154.1 = 77,050 JPY **M1**

(b) compare 77,312 with 77,050 **M1**

(b) Bank A better by 262 JPY cao **A1**

(b) Answer: Bank B gives 77,050 JPY. Bank A is better by 262 JPY (77,312 - 77,050).

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