

Financial Literacy

1. The table shows the exchange rate for \$1 Canadian in different countries.

Country	Code	\$1 CAD =
France	EURO	0.74 euros
India	INR	60.48 rupees
Jamaica	JMD	118.28 Jamaican dollars
Mexico	MXN	15.90 pesos
United States	USD	0.77 US dollars

- a) Suppose a person exchanges \$1 CDN for the currency in one of these countries.

Is there any country where the person would have more money?

Explain.

Sample solution:

No, even though the numbers for the currencies in India, Jamaica, and Mexico are greater than 1, the person probably has less money because it would have cost them to make the exchange.

- b) Assume there is no fee for exchanging money.

Choose one currency.

How much money would you get when you convert \$100 CDN to that currency?

Show your work.

Sample solution:

I chose Jamaican dollars.

$\$100 \text{ CDN} = 100 \times 118.28 \text{ Jamaican dollars}$

$\$100 \text{ CDN} = 11\,828 \text{ Jamaican dollars}$

Financial Literacy (cont'd)

2. A person has a goal to save \$1500 by the end of the year. They get paid every two weeks.
- a) Starting in January, how much should the person save each pay cheque?

Show your work.

Sample solution:

There are 52 weeks in the year.

So, there are $52 \div 2 = 26$ pay cheques.

Round down to 25 pay cheques.

The amount to save each pay cheque is: $\$1500 \div 25 = \60

- b) What are some things that may prevent the person from reaching their goal?

Sample solution:

The person may have unexpected expenses such as needing new eyeglasses or car repairs. Or, their work hours could be reduced, which could affect their ability to save.

Financial Literacy (cont'd)

3. The person works really hard all year to save \$1500 and wants to invest it for 1 year.

There are 2 options:

- A savings account at Bank A pays 2% annual interest, with a \$1 monthly service fee.
- A savings account at Bank B pays 1% annual interest, with no monthly service fee.

Which bank should the person choose? Why?

Show how you know.

Sample solution:

At Bank A, the interest is: $\$1500 \times 0.02 = \30 for the year

The total fees are: $\$1 \times 12 = \12

Net interest: $\$30 - \$12 = \$18$ for the year

At Bank B, the interest is: $\$1500 \times 0.01 = \15

There are no fees.

Bank A gives the better deal.

The person should invest the money in Bank A.

**Financial Literacy
Readiness Tasks**

Financial Literacy (cont'd)

Readiness Question	Grade 7 Concept	Grade 8 Concept	<i>Mathology 7 (Ontario)</i>																		
<p>1. The table shows the exchange rate for \$1 Canadian in different countries.</p> <table border="1" data-bbox="212 510 623 743"> <thead> <tr> <th>Country</th> <th>Code</th> <th>\$1 CAD =</th> </tr> </thead> <tbody> <tr> <td>France</td> <td>EURO</td> <td>0.74 euros</td> </tr> <tr> <td>India</td> <td>INR</td> <td>60.48 rupees</td> </tr> <tr> <td>Jamaica</td> <td>JMD</td> <td>118.28 Jamaican dollars</td> </tr> <tr> <td>Mexico</td> <td>MXN</td> <td>15.90 pesos</td> </tr> <tr> <td>United States</td> <td>USD</td> <td>0.77 US dollars</td> </tr> </tbody> </table> <p>a) Suppose a person exchanges \$1 CDN for the currency in one of these countries. Is there any country where the person would have more money? Explain.</p> <p>b) Assume there is no fee for exchanging money. Choose one currency. How much money would you get when you convert \$100 CDN to that currency? Show your work.</p>	Country	Code	\$1 CAD =	France	EURO	0.74 euros	India	INR	60.48 rupees	Jamaica	JMD	118.28 Jamaican dollars	Mexico	MXN	15.90 pesos	United States	USD	0.77 US dollars	<p>Identifying and comparing exchange rates, and converting between currencies</p>	<p>Understanding methods of payment with multiple currencies and exchange rates</p>	<p>Grade 7 Number Lesson 18: Proportional Reasoning: Exploring Exchange Rates and Foreign Currencies</p>
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