

LESSON TWENTY-FIVE

Money: More Than Just Dollars

TEACHERS

Introduction

Most countries around the world have their own money. While we are familiar with U.S. dollars, we may know very little about money in other countries. If we go to another country, we must convert our dollars into that country's currency to make purchases. In order to convert our money, we need to know the exchange rate between the two nations. The exchange rate determines the value of one currency compared with another. Exchange rates tell us how much of another country's money we get in "exchange" for our U.S. dollars, and that helps us compare prices between the two countries.

Purpose

This lesson will help students understand how to use exchange rates to determine how prices of products vary among different countries.

Students will calculate percentages and make comparisons.

Tool Kit

Find exchange rates for Mexico, United Kingdom, Japan, Australia and Europe (using the Euro); possible sources are <http://www.xe.com> or <http://www.x-rates.com>.

Definition of the Week

**Exchange Rate:** The price of one country's currency in relation to another country's currency.

Procedure

1. Explain that most countries have their own currency and most have a different name than dollars. These currencies also have a different value than U.S. dollars. For example, in Mexico, money is called pesos and prices of products sold in Mexico are stated in pesos -- not dollars. Even if other countries call their money "dollars," their dollars will have a different value from U.S. dollars. Explain how people use exchange rates to convert their money to another currency when buying goods and services in that country.
2. Tell students they have just received an expense-paid vacation to Mexico, Great Britain, Japan, Australia or Europe, plus \$825 in spending money. Using the exchange rates you found, have students calculate the value of \$825 in the five different currencies to determine which country is the best value. {For example, if the exchange rate for Mexico is 11.455 pesos, then \$825 would be worth 9,450.04 pesos ( $825 \times 11.455 = 9,450.04$ )}. Have students compute the percentage change, ranking countries from the highest to lowest change. Ask students to illustrate their results with a chart or graph. Remind students their money will buy the most in countries with the best (lowest) exchange rates.
3. Encourage students to find five different products in the newspaper for their trip. Using the above exchange rates, have them convert the prices into different currencies and make similar comparisons.

PARENT OPTION

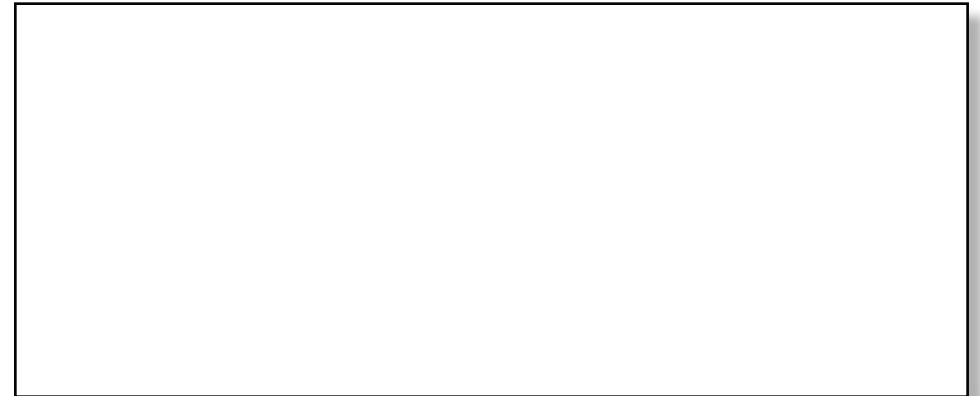
Help your child find more information on a country featured in the teacher activity. Survey family and friends to see if they have been to that country; make a bar graph of survey results.

Have your child interview someone who has visited another country about the price of products purchased there. Find a newspaper article about that country.

Search the employment ads in the newspaper for the salary of a job in Oklahoma City. Convert that salary into another country's money. Research that country to see if that job is available there and determine how much they are paid. important as the goals you have for them.

Create Your Own Currency

Examine currency from the United States and other countries to discover different designs, security features, icons and photographs used to represent the country. Suppose you are the president, king or ruler of your own country. What designs and features would you want printed on your money? Use the boxes above to create your own currency. Add any symbols, pictures, security features or other emblems that are important to you and your country. Compare your designs with an actual U.S. dollar or currency from another country.



Front of your bill



Back of your bill

Explain the design of your currency and why you selected the specific objects displayed on it.

---



---



---



---

Coming next week: Collectibles: A Fun but Risky Investment Option

Newspapers for this educational program provided by:

