

CONVERSION OF CURRENCY

Subject

Mathematics

Prepared By

[Instructor Name]

Grade Level

5

Overview

This lesson plan covers teaching content for;

1. Converting Currency using calculator

Objectives

Students should be able to;

1. Know Exchange rates.
2. Compare and contrast currency values in different economies.
3. Correctly calculate conversion using current exchange rates with the aid of calculator.

Activity Starter/Instruction

1. This process of converting from one currency to another is called **currency conversion**. It requires only two steps. The first is finding the exchange rate. The next is following this formula:
2. New currency = your currency \times exchange rates
3. In this formula, the exchange rate is the new currency divided by how much it is worth in your home currency.
4. For example, in November 2014, 1 U.S. dollar is worth 0.63 British pounds. Going the other way, 1 British pound is worth 1.58 U.S. dollars.
5. So, the exchange rate for changing from U.S. dollars to British pounds is 0.63 British pounds/1 U.S. dollar, or 0.63. The exchange rate for changing from British pounds to U.S. dollars is 1.58 U.S. dollars/1 British pound = 1.58.
6. We always divide the new currency by the home currency. The currency that you want to change to goes on top, and

Teacher Guide

Day 1/ Lesson 1: 15mins

1. Vacation!!
2. The Brown family are going to visit many diff countries on their vacation.
3. From their home in New York, they travel to Toronto (Canada), London (England), Rome (Italy), New Delhi (India), Tokyo (Japan) and Sydney (Australia), before returning home across the Pacific.
4. Mr. Brown uses his credit card to change money from USD (\$US) to the local currency in each of the locations they visit.
5. Because currencies change all the time, the amount of money Mr. Brown receives in each local currency will change from day to day. But the following table (old data) will give pupils an understanding of how currencies are converted:

Materials Required

- Calculator
- Current list of exchange rate
- White board
- Marker
- Copies of student reading.
- Bag(s) of M&Ms, or mints, or similar small, inexpensive peanuts.
- Ten-fifteen Saudi Arabian Riyals (copies from sheet provided)
- Ten-fifteen Classroom Bucks (copies from sheet provided)

Additional Resources

- <https://www.econedlink.org/resources/exchange-rates/>
- <https://www.nuffieldfoundation.org/sites/default/files/2014-09/14092014%20Exchange%20Rates.pdf>
- <https://www.transum.org/Maths/Activity/Currency/>
- <https://nzmaths.co.nz/resource/playing-money-new-z>
- <https://www.thebalance.com/how-to-read-and-calculate-exchange-rates>
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Additional Notes

the currency you have goes on the bottom.

Guided Practice

Day 2/ Lesson 2: 20Mins

1. Distribute two or three riyal notes to each pupil. Ask them if what you have distributed is money. (Money is anything acceptable in exchange for goods and services; if they cannot buy anything with the riyals then it is not money.)
2. Indicate that you have three candy mints (or other items) for sale and you would like to know if anyone would like to purchase them. (Usually some pupils will begin to offer riyals for the mints.)
3. Indicate to pupils that the price of the mints is one Classroom Buck. Show the pupils a Buck and tell them that they cannot purchase mints with their riyals. (Let them solve the problem. Usually, one or more pupils will quickly try to buy the classroom Buck with their riyals.)
4. Begin to auction off each of three Classroom Bucks for round one. (You don't need to worry about getting the absolute highest price for each Buck, but do allow some

Currency	Code	USD/ 1 unit	Units/ 1 USD
Australian Dollar	AUD	0.9612	1.0405
Canadian Dollar	CAD	0.9788	1.0219
Euro	EUR	1.3065	0.7655
British Brown	GBP	1.5553	0.6431
Indian Rupee	INR	0.02174	46.1225
Japanese Yen	JPY	0.011916	83.9337

6. There are two sets of figures for each country – the USD/ 1 unit and the Units/ 1 USD. This is because you get one rate for changing from \$US to the foreign currency and a different rate for changing back to the \$US.
7. Mr. Brown converts USD500 to Canadian dollars. How much does he receive? We are converting from the US currency to the Canadian currency, so we should use the Units/ 1 USD column:
8. So he receives $USD500 \times 1.0219 = CAD510.95$

Guided Practice

Day 3/ Lesson 3: 15mins

1. Ask pupils how they typically pay for items they wish to buy. Then ask how they would do this if they were in Canada, Japan, or Germany?
 2. Explain that different countries have different currencies. In order to pay for something in another country, people must use that country's currency.
 3. Explain how currency rate differs from country to country. Distribute the Currency Conversion chart.
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bidding. You may want to appoint one pupil as the banker to exchange currencies and one pupil to serve as a tally keeper.)

5. When you have sold all three Bucks, record the prices on the board and tell pupils that they can purchase mints with their Bucks if they wish to. (Some students may choose to hold onto their Bucks and not buy a mint. This is O.K.)
 6. Distribute another four or five riyals to each student. Announce that you have three more mints for sale at the price of one Buck.
 7. Once again auction the Bucks for riyals. Try to let the bidding go until the prices exceed those of round one.
 8. Again, let students with Bucks purchase the mints if they wish. Record the prices paid for Bucks in round two.
 9. Distribute four or five more riyals to each student. Conduct a third round and record the prices paid.
 10. Draw pupils' attention to the tally on the board. Ask "What was a Buck worth in this activity?" What was a riyal worth?
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4. Explain that to figure out how much a person need to pay for each item in a foreign currency, pupils need to multiply the amount of the item in US. Dollars by the exchange rate.
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Summary	Assessment Activity	Assessment Activity
1. Ask volunteers to provide solutions and review answer with the whole class.	Assess if students can; 1. Convert currencies correctly.	Pupils need to get familiar with exchange rate and its importance for conversion.