

# ASSESSMENT . Currency Conversion Challenge

## Objective:

To reinforce understanding of currency conversion and exchange rates through practical exercises.

## Instructions:

### 1 Currency Conversion:

- a. Choose two currencies, for example, USD (U.S. Dollar) and EUR (Euro).
- b. Find the current exchange rate between the two currencies. This can be done using financial news websites, currency converter apps, or financial platforms.
- c. Calculate the equivalent amount in the second currency for a given amount in the first currency.

### 2. Real-World Scenario:

- a. Imagine you are planning a trip to Europe, and you have a budget of \$1,000 USD. Calculate how much this budget is in Euros using the current exchange rate.

### 3. Currency Pair Analysis:

- a. Select a currency pair, e.g., USD/JPY. Research and identify key factors influencing the exchange rate of this currency pair.
- b. Write a short analysis explaining why the exchange rate might fluctuate.

## Questions:

### 1. Currency Conversion:

- a. If the current exchange rate for USD to EUR is  $1 \text{ USD} = 0.85 \text{ EUR}$ , how many Euros will you receive for 500 USD?

### 2. Real-World Scenario:

- a. If the exchange rate for USD to EUR is  $1 \text{ USD} = 0.85 \text{ EUR}$  and you plan to exchange \$1,000, how many Euros will you receive? Consider a 2% transaction fee.

