

1. Japanese Yen per 1 Canadian dollar:

- June 2019: 80.25
- December 2019: 82.10
- March 2020: 78.90
- May 2020: 77.50

Michael, Sarah, and Emily are planning a trip to Japan in June 2020. They estimate they'll need 2,000,000 yen each for their trip expenses. However, they decide to purchase yen at different times based on their preferences:

- Michael buys yen in December 2019.
  - Sarah buys yen in March 2020.
  - Emily decides to wait until May 2020 to purchase her yen.
1. Calculate the amount in Canadian dollars for each of them. (3 marks)
  2. Who had to spend the most Canadian dollars, and who had to spend the least, in order to obtain their yen?

2. Draw a graph to explain how a tight money policy is used to control inflation? And easy money policy causing inflation ( make sure you explain the shift of the demand curve from AD1 TO AD2 in your answer

3. Draw a demand and supply graph to show shortage and surplus of Canadian currency.

4. Draw the business cycle and explain its stages.

4. What happens when the value of Canadian dollar rises and falls on

- Demand of Canada goods and services
- Export and Import,
- Demand and supply of Canadian dollars.

5 .In one year, the government collects \$50 billion in taxes and spends \$80 billion. What type of budget is it?

6. If a country's exports total \$500 million and its imports total \$400 million, what is its balance of trade?