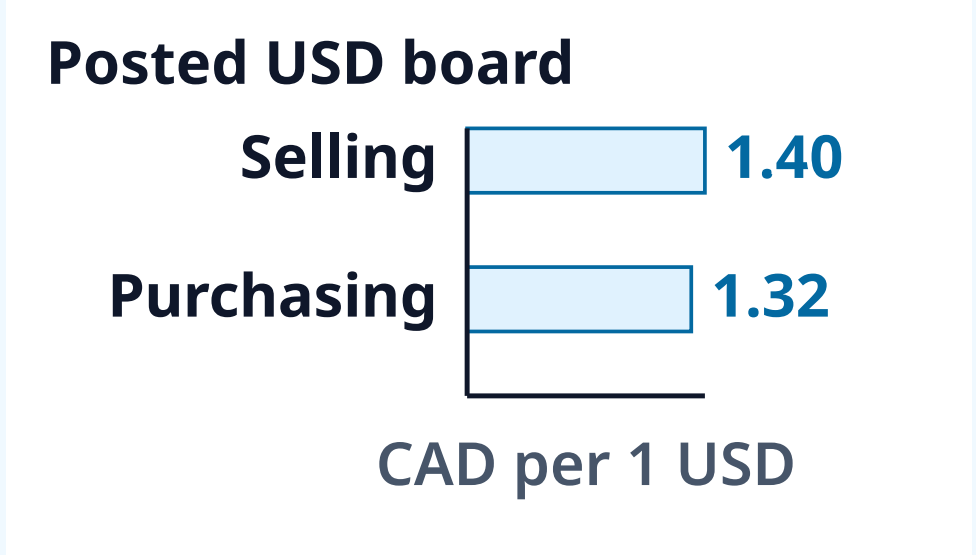
Mathematics 10-3

Unit N: Money and income

Currency exchange at the posted rate

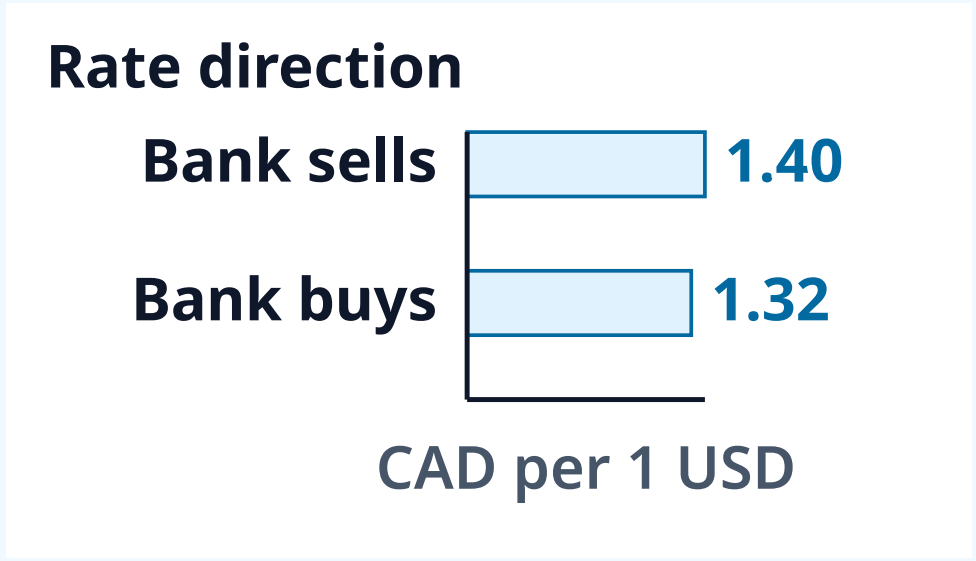
A posted board before a trip

- A teller trainee reads a posted sample board: the bank sells 1 USD for 1.40 CAD and buys 1 USD for 1.32 CAD.
- A customer who wants 50 US dollars pays at the selling rate.
- Selling those dollars back uses the purchasing rate.



Buying and selling rates

- The selling rate is the rate the institution uses when it sells foreign currency to the customer.
- The purchasing rate is the rate the institution uses when it buys foreign currency from the customer.
- Currency exchange multiplies the foreign amount by the rate for that direction, and a rate table shows that multiplication in two columns.



Key terms

Selling rate

The rate the institution uses when it sells foreign currency to the customer. The customer pays this many Canadian dollars per one foreign unit. (CAD per 1 foreign unit)

Purchasing rate

The rate the institution uses when it buys foreign currency from the customer. The customer receives this many Canadian dollars per one foreign unit. (CAD per 1 foreign unit)

Currency exchange

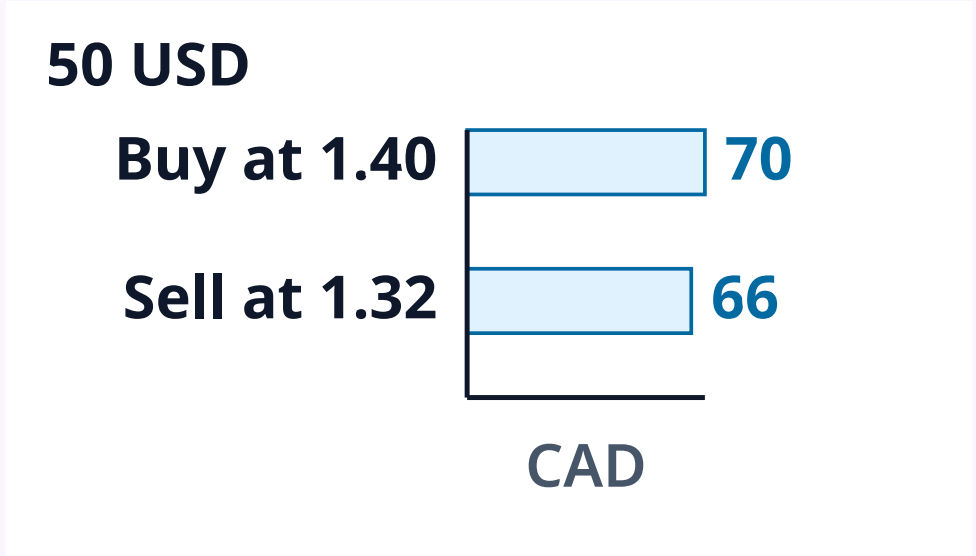
A conversion between Canadian dollars and a foreign currency by multiplying by the rate for that direction.

Rate table

A two-column chart that lists a foreign amount beside the Canadian dollars for that amount at one stated rate.

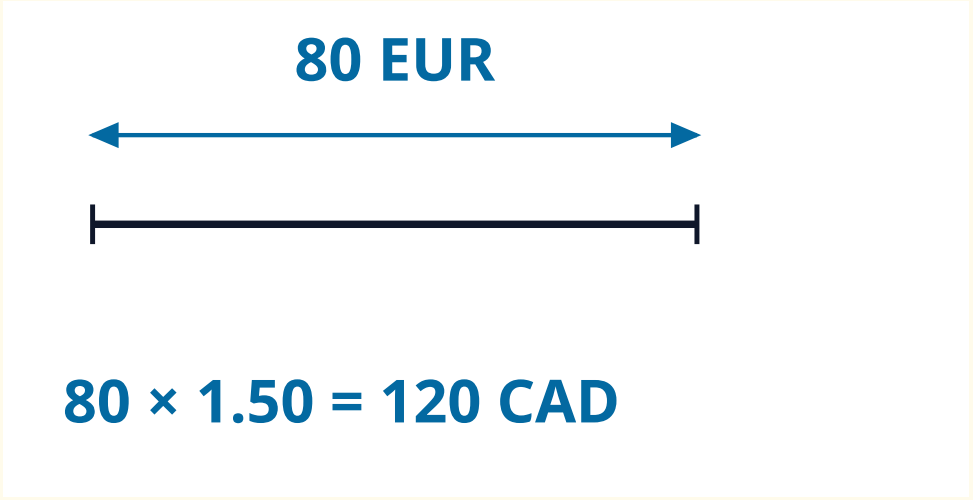
Fifty US dollars out and back

- Buying 50 USD at the selling rate 1.40 costs 50 times 1.40, which equals 70 CAD.
- Selling 50 USD back at the purchasing rate 1.32 yields 50 times 1.32, which equals 66 CAD.
- The gap of 70 minus 66, which equals 4 CAD, is the institution’s margin on that round trip.



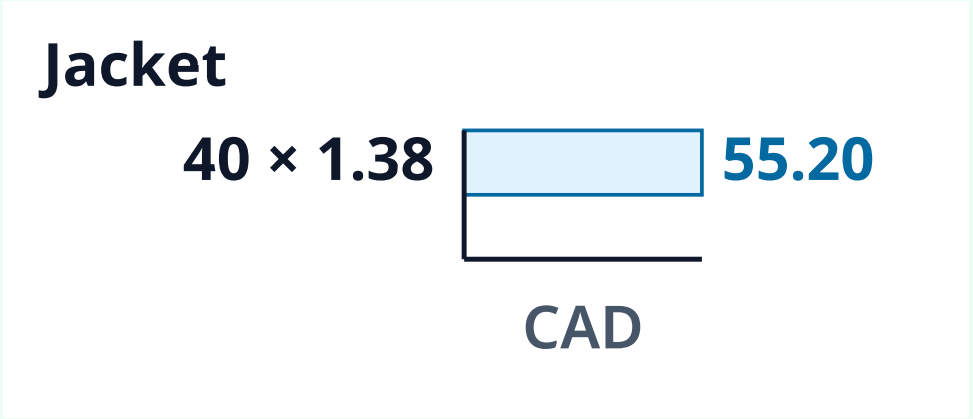
Eighty euros at a selling rate of 1.50

- A selling rate of 1.50 CAD per EUR means each euro costs 1.50 Canadian dollars.
- Eighty euros cost 80 times 1.50.
- Multiplying 80 by 1 equals 80, multiplying 80 by 0.50 equals 40, and 80 plus 40 equals 120 CAD.



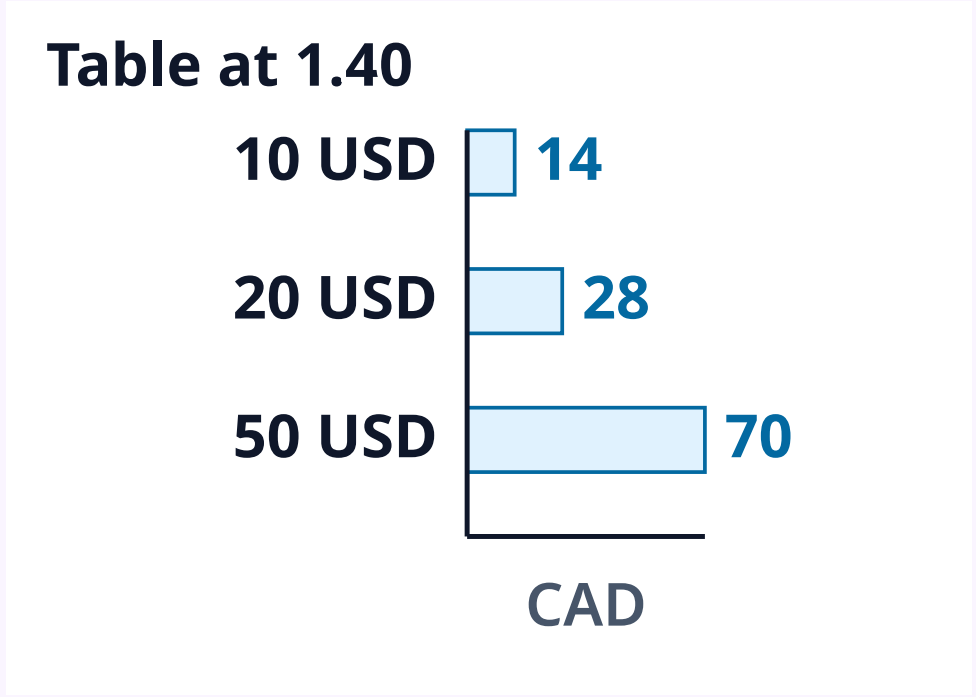
A jacket priced in US dollars

- A jacket costs 40 USD and the selling rate for this question is 1.38 CAD per USD.
- Forty times 1.38 equals 55.20, so the jacket costs 55.20 CAD.
- A purchasing rate of 1.30 would price the jacket as if the customer were selling USD to the bank.



Estimating with a rate table

- While abroad, round the selling rate and multiply before you pay, so a 1.40 rate stays 1.4 times the foreign price in CAD.
- Ten times 1.40 equals 14, twenty times 1.40 equals 28, and fifty times 1.40 equals 70.
- Those rows price 10 USD at 14 CAD, 20 USD at 28 CAD, and 50 USD at 70 CAD.
- Rounding 1.38 to 1.40 gives 40 times 1.40.
- Forty times 1 equals 40 and 40 times 0.40 equals 16, so the estimate is 56 CAD.



Board check at the counter

- Find the cost of 50 USD at the selling rate 1.40 and the receipt from selling 50 USD at the purchasing rate 1.32.
- Find the cost of 80 EUR at a selling rate of 1.50.

