CONCEPT: INTRODUCTION TO EXCHANGE RATES

- One dollar ≠ One Euro ≠ One Yen ≠ One Rupee …
  - □ ***Exchange Rates*** determine how much of a _____ currency you can get for your domestic currency
    - > Exchange rates are _____ between the values of two currencies
  - □ A ratio is always going to divide one number by another number
    - It is important to be able to calculate the ratio, but also important to be able to analyze the results
    - The general rule for ratio interpretation:

$$Ratio = \frac{A}{B}$$

Interpreting a ratio: The calculation will result in a decimal (i.e. 1.54):
This means that for each one unit of "B" there are 1.54 units of "A"

$$Exchange\ Rate = \frac{Currency_1}{Currency_2}$$

There are two ways to express the same exchange rate. For example if 1 USD is worth 0.93 Euro:

EXAMPLE: Clutchtopia's currency conversion is currently 1.7 ClutchCoin (CC) for 1 US Dollar (USD). If a US citizen was planning to visit Clutchtopia, how many dollars would they need to exchange to receive 100 CC?

PRACTICE: Clutchtopia currently exchanges 0.8 ClutchCoin (CC) for 1 US dollar (USD). If a ClutchBurger costs 3.50 CC, what is the USD equivalent price for a ClutchBurger?