

International Business
Mirror, Mirror – Day 5
LAP mm5 – Money Around the World



Name _____

Period _____

Date Started _____

Date Completed _____

DoDEA Benchmark **3.11**

Business/Computer Standard(s)

– Describe the financial aspects of international trade.

Objectives

- Explain the function of money.
- Tell how money gets its value.
- State some characteristics of United States and foreign currencies.
- Name the currencies of several foreign countries.
- Describe how exchange rates are determined and how they affect international business.
- Calculate the value of the U.S. dollar given the exchange rates for foreign currencies.
- Explain where exchange rates are published and why they vary within a foreign country.
- Give examples of when a weak or strong U.S. dollar is an advantage or disadvantage.
- Tell how businesses make payments for imports and receive payments in international business.
- Describe the role of commercial banks in the process of making and receiving payments in international business

Text – Mirror Mirror Incorporated – An International Office Simulation (MM)

Resource – Day 5 – Money Around the World

Time Frame – 4 hours (suggested)

Turn in completed activities as directed by instructor.

Read the following pages and complete the Questions on Worksheet 5

_____ pp. 97-98 and complete Question 1

_____ pp. 99-102 and complete Question 2

_____ pp. 103-105 and complete Questions 3-4

_____ pp.106-111 and complete Global Training Activity (Analyzing a Letter of Credit) p. 111.

_____ Complete pp. 114-115 Vocabulary

_____ Complete Worksheet 5

_____ Complete TASK 5-1 (See Worksheet for instructions)

Self-Assessment – “I can...”

- explain the function of money.
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- calculate the value of the U.S. dollar given the exchange rates for foreign currencies.
- explain where exchange rates are published and why they vary within a foreign country.
- give examples of when a weak or strong U.S dollar is an advantage or disadvantage.
- tell how businesses make payments for imports and receive payments in international business.
- describe the role of commercial banks in the process of making and receiving payments in international business.

All questions must be answered in complete sentences.

- 1) pp. 97-98 Think and Write
In your own words, write two paragraphs. The first should be a simple definition of what money is and the second should describe the barter system, the problems of barter and how money as we know it came to be.

- 2) pp. 101-102 Global Training Activity
Fill in the Currency table on the next page based on Figure 5-1. Use the Internet to find current exchange rates for the currencies listed.
Fill in the Offices (put them on the proper line for their country's currency) and Wages from p. 102.
Show your conversion arithmetic in the space below the table and enter your answer in the table.

- 3) p. 103 Think and Write
As a tourist, would you prefer a weak dollar or a strong dollar?

- 4) p. 105 Global Training Activity
Do this activity on a separate sheet of paper. Show your work.

- 5) p. 115 Preparation for Tomorrow
This report should be in report format (centered title, double spaced).

TASK 5-1

- a) You will do only two graphs: one must be either Japan or Germany; the other may be any of the other countries. See Appendix 5-F for an example. The graphs may be done by hand or on the computer; if they are done by hand, they must be neatly done on graph paper.
- b) The statement should be on the same paper as the graph.

NAME _____

CURRENCY CONVERSION

COUNTRY	CURRENCY	RATE	CITY	WAGES (\$)	WAGES (LOCAL