



# **TOURISM**

**GRADE 11**

**REVISION QUESTIONS**

**TERM 2**

## **TOPIC: FOREIGN EXCHANGE**

All the questions in this document were sourced from previous ECDoE provincial question papers.

This document consists of 7 pages.

**TOPIC: FOREIGN EXCHANGE****NOV 2014 EC  
QUESTION 2**

- 2.1 Read the extract below and answer the questions.

The successful hosting of the 2010 FIFA World Cup will have a multiplier effect on the number of tourists visiting Cape Town in future, the city's tourism agency predicts.

Speaking at a press conference last week, Cape Town Tourism chief executive, Mariette du Toit-Helmbold, said that even though World Cup visitor numbers and bookings in Cape Town had not fully lived up to expectations, the event would help to attract thousands of tourists to the city for years to come.

[Source: [www.southafrica.info](http://www.southafrica.info)]

- 2.1.1 Explain what is meant by the term *multiplier effect* in this extract. (2)
- 2.1.2 Tourism can be of benefit to a country both directly and indirectly. Explain what is meant by this statement. (2 x 1) (2)
- 2.2 Study the currency rate sheet from <http://ws15.standardbank.co.za> and answer the questions.

STANDARD BANK						
FOREX CLOSING INDICATION RATES FOR 29 November 2013 as at 16:00						
Rates for amount up to R200 000						
Country	Cur	Bank Buying			Bank Selling	
		T/T	Cheques	Foreign Notes	Cheques and T/T	Foreign Notes
<b>QUOTATIONS ON BASIS RAND PER UNIT FOREIGN CURRENCY</b>						
BRITISH STERLING	GBP	16.3582	16.3201	16.2357	16.8782	16.9732
EURO	EUR	13.6225	13.5836	13.4970	14.0760	14.1060
UNITED STATES DOL	USD	10.0118	9.9667	10.0043	10.3293	10.3293

\*T/T Refers to a telegraphic transfer

- 2.2.1 Give the date on which the exchange rates above will expire. (1)
- 2.2.2 Determine the exchange rate that the bank will use when buying GBP£ notes. (1)
- 2.2.3 Determine the exchange rate that the bank will use when selling travellers cheques in US\$. (1)
- 2.2.4 Mr Smith will be travelling to Italy and wants to exchange R10 000 for Euro in notes.
- (a) Name ONE place, other than a commercial bank, that Mr Smith can go to exchange his money. (1)
- (b) The bank will sell him the Euro using the Bank Selling Rate. Calculate how many Euro he will receive. (3)
- (c) When Mr Smith returns from his trip to Italy he has €35 left and wants to exchange this for Rand. The bank will use the Bank Buying Rate when calculating how much he will receive for his €35. Determine the amount in Rand he will receive. (3)

**NOV 2015 EC  
QUESTION 3**

3.1 Read the scenario below and answer the questions.

Ms Jones is planning an overseas holiday to Italy and England. She has never travelled internationally before and is unsure of how to go about exchanging her South African rand, for the currencies that she will need.

- 3.1.1 Identify TWO foreign exchange facilities where Ms Jones can exchange her local currency for foreign currency, before her departure. (2 x 1) (2)
- 3.1.2 Ms Jones is unsure of the concept of an exchange rate. Explain this concept to her. (2)
- 3.1.3 Ms Jones has been warned that fluctuations could have an effect on her foreign exchange transaction. Explain what fluctuations are with regard to a foreign exchange transaction. (2)
- 3.1.4 Discuss ONE way in which the money that Ms Jones will be spending in a village in Italy, will be of benefit to the local population. (2)
- 3.1.5 Use the currency rate sheet below to assist you in answering the following questions.

Foreign currency	Currency Code	Bank Buying Rate	Bank Selling Rate
British Sterling	GBP	17,7917	18,5295
Euro	EUR	13,8899	14,4923
United States Dollar	USD	10,9395	11,2645

- (a) Ms Jones would like to exchange ZAR8 500 to spend in Italy. Calculate the total amount of foreign currency that she will receive by using the Bank Selling Rate. (3)
- (b) Before her departure Ms Jones exchanged ZAR11 500 for the currency that she will need in England. On her return to South Africa she has £75,00 left over and would like to exchange this amount for the local currency.
- Calculate the total amount of local currency that she will receive using the Bank Buying Rate. (3)

## NOV 2016 EC

### QUESTION 3

Read the scenario below and answer the questions.

Mr Tukulu will be travelling to France in April 2016. He will have to exchange his Rand for Euro before his departure. He follows the exchange rates in the weeks before his departure to determine when he will get the most favourable exchange rate before he exchanges his money.

Below is an extract that he will use to exchange his local currency for foreign currency.

<b>ABC Bank</b>					
<b>FOREX CLOSING INDICATION RATES FOR 22 MARCH 2016 as at 16:08</b>					
<b>Rates for amounts up to R200 000</b>					
<b>Closing rate history for date: 2016–03–22 at 16:08</b>					
<b>Currency</b>	<b>Bank buying</b>			<b>Bank selling</b>	
	<b>T/T</b>	<b>Cheques</b>	<b>Foreign notes</b>	<b>Cheques and T/T</b>	<b>Foreign notes</b>
<b>QUOTATIONS ON BASIS RAND PER UNIT FOREIGN CURRENCY</b>					
British Sterling (GBP)	21,4966	21,4194	21,3469	21,9990	22,0636
Euro (EUR)	16,9668	16,9197	16,8423	17,4017	17,4317
United States Dollar (USD)	15,1408	15,0726	15,1333	15,4583	15,4583

- 3.1 Explain the following concepts:
  - 3.1.1 Foreign currency (2)
  - 3.1.2 Exchange rate (2)
- 3.2 Advise Mr Tukulu on ONE place that he should go to exchange his money before his departure. (2)
- 3.3 Mr Tukulu exchanges R20 000,00 for Euro in cash. Using the bank selling rate, calculate the amount that he will receive in Euro. (4)
- 3.4 Will Mr Tukulu receive the same amount of Euro if he exchanges his Rand on 1 April 2016? Motivate your answer. (2)

**NOV 2017 EC**  
**QUESTION 3**

Study the exchange rates given and answer the questions.

Foreign currency	Currency code	Exchange rate
United States Dollar	USD	14,19
Euro	EUR	15,29
Pound	GBP	17,62

- 3.1 Thembela from Port Elizabeth returns from her business trip to the USA. She has \$75 left over of her spending money. Calculate the amount in rand she will receive when exchanging her foreign currency for local currency.

Remember to show all the steps of your calculation. (3)

- 3.2 Melanie is planning a visit to her family in London. She has saved R8 500 to use as spending money for her trip.

- 3.2.1 Melanie has never travelled internationally before and has heard about the term “*fluctuations*” when exchanging currency. Explain this term to her. (2)

- 3.2.2 List TWO places where Melanie should go to exchange her local currency for foreign currency before her trip. (2)

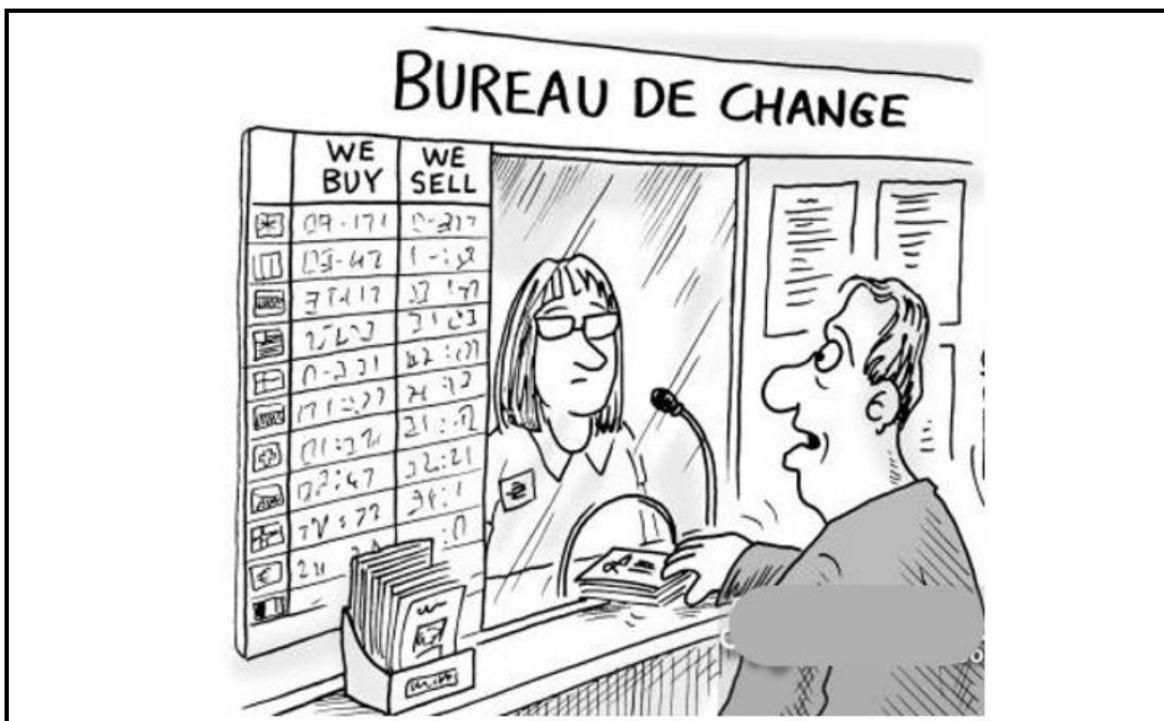
- 3.2.3 Calculate how much of the foreign currency she will receive when she exchanges her rand for the currency of the destination that she will be visiting.

Remember to show all the steps of your calculations. (3)

- 3.3 Explain how the money that both Thembela and Melanie spend in the respective countries that they plan to visit will contribute to the local economies of those countries. (2)

**NOV 2018 EC  
QUESTION 3**

Study the image below and answer the questions.



- 3.1 Mr Jones from Cape Town is going on holiday to the USA. Identify the type of transaction that is taking place in the image. (2)

- 3.2 Name the foreign currency that Mr Jones will buy for his holiday. (2)

Advise Mr Jones on the meaning of the words 'We buy' and 'We sell'. (2 x 2) (4)

- 3.3 Use the exchange rate given to calculate how much of the foreign currency Mr Jones will receive if he has budgeted ZAR 18 500 for his holiday.

**NOTE:** Round off your answer to TWO decimal places.  
Show ALL steps of your calculation.

1 USA currency	ZAR 11,79
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(3)

### NOV 2019 EC QUESTION 3

Study the information given and answer the questions.

Mr Smith is going on a business trip to London. He has R25 500 spending money to exchange for his trip prior to (before) his departure.



Foreign currency	Bank Buying Rate	Bank Selling Rate
Euro	15,51	16,10
British Pound	18,09	18,80

- 3.1 Identify the foreign currency that Mr Smith will exchange his Rand for. (2)
- 3.2 Name the facility where Mr Smith is processing his transaction. (2)
- 3.3 Explain how the money that Mr Smith is exchanging for his trip can benefit the local economy of London. (2 x 2) (4)
- 3.4 Calculate, using the bank selling rate, the amount of foreign currency that Mr Smith will receive when he exchanges his spending money before his departure.

**NOTE:** Round off your answer to TWO decimal places.  
Show ALL steps of your calculation. (3)

- 3.5 Upon his return Mr Smith has £15 bank notes left over. Calculate, using the bank buying rate, the amount of Rand that he will receive when he exchanges the £15.

**NOTE:** Round off your answer to TWO decimal places.  
Show ALL steps of your calculation. (3)