

Exchange Rates

To use the exchange rate to convert euro to pounds and vice versa.

Converting Euro to Pounds

An exchange rate means that 1 unit of currency, say the euro, is worth so much of another currency, say sterling.

Example:

If the exchange rate is €1= £0.85867, how much would €10 be worth in sterling?

Answer: €10x £0.85867 = £8.59

As you can see, when we go into the bank/post office to buy a different currency, we always multiply by the exchange rate.

The amount gets rounded to two figures after the decimal point.

Go to www.xe.com or a similar currency conversion website. Use the information on the site to convert each of the following amounts in euro to pounds sterling at today's rate.

Rate: €1= £

Amount in €	Amount in £
€50	
€1,250	
€354	
€3,260	
€870	

Do you notice anything about the amounts in euro and the amounts in sterling?

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