

**11. EXCHANGE RATE AND ITS ECONOMIC EFFECTS****ASSIGNMENT SOLUTIONS****PROBLEM NO: 1**

Given, 1 AUS \$ = Rs. 26.45 (Direct Quote)

$$\text{Indirect Quote} = \frac{1}{\text{Direct Quote}} = \frac{1}{26.45} = 0.0378 \text{ AUS \$ for Re. 1}$$

**PROBLEM NO: 2**

Given, Rs. / \$ = 43.70

$$\text{DM / \$} = 1.578$$

$$\text{Rs. / DM} = \frac{\text{Rs.}}{\$} \times \frac{\$}{\text{DM}} = 43.70 \times \frac{1}{1.578} = 27.6933 \text{ Rs. / DM}$$

**PROBLEM NO: 3**

Given,

$$\frac{\text{Euro}}{\text{INR}} = 70.25 \text{ (or) } 1 \text{ Euro (€)} = \text{Rs. } 70.25$$

$$\frac{\text{Euro}}{\text{BTK}} = 99.18 \text{ (or) } 1 \text{ Euro (€)} = \text{BTK } 99.18$$

To find,

$$\begin{aligned} \frac{\text{INR}}{\text{BTK}} &= \frac{\text{INR}}{\text{Euro}} \times \frac{\text{Euro}}{\text{BTK}} \\ &= \frac{1}{70.25} \times 99.18 \end{aligned}$$

$$\frac{\text{INR}}{\text{BTK}} = 1.4118 \text{ (or) } 1 \text{ INR} = \text{BTK } 1.4118$$

**PROBLEM NO: 4**

Given,

$$\frac{\text{USD}}{\text{Yen}} = 125 \text{ (or) } 1 \text{ USD} = \text{Yen } 125$$

$$\frac{\text{USD}}{\text{FijianDollars}} = 1.6949 \text{ (or) } 1 \text{ USD} = \text{Fijian Dollars } 1.6949$$

To find,

$$\begin{aligned} \frac{\text{Yen}}{\text{FijianDollars}} &= \frac{\text{Yen}}{\text{USD}} \times \frac{\text{USD}}{\text{FijianDollars}} \\ &= \frac{1}{125} \times 1.6949 \end{aligned}$$

$$\frac{\text{Yen}}{\text{FijianDollars}} = 0.01355 = 0.014 \text{ (or) } 1 \text{ Yen} = 0.014 \text{ Fijian Dollars}$$

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To **MASTER MINDS**, Guntur

**THE END**