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Province of the
EASTERN CAPE
EDUCATION

TOURISM

GRADE 12

REVISION QUESTIONS

TERM 2

TOPIC: FOREIGN EXCHANGE

All the questions in this document were sourced from previous NSC and EC provincial question papers.

This document consists of 20 pages.

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TOPIC: FOREIGN EXCHANGE

NOV 2014
QUESTION 3

3.1 Study the exchange rate table below and answer the questions that follow.

COUNTRY	CURRENCY CODE	BBR	BSR
United Kingdom	GBP	15.79	16.53
European countries	EUR	13.27	13.88
Japan	JPY	0.10	0.11

3.1.1 Name the official currency used by 18 European countries. (1)

3.1.2 From a tourism perspective, state ONE advantage of using the single currency named in QUESTION 3.1.1. (2)

3.2 The cost to refuel a private chartered aircraft is displayed on the fuel pump below. (Refer to the exchange rate table in QUESTION 3.1 to answer the questions.)

A British tourist in South Africa has 300 pounds. He exchanges his pounds for rands.

Calculate the amount of rand left over after he has paid for the fuel. Show ALL calculations. (4)

3.3 A South African business tourist is visiting Japan and has R5 000 to spend.

Calculate the amount of yen he will receive by referring to the information in the exchange rate table in QUESTION 3.1. Show ALL calculations. (3)

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3.4 Discuss the concepts of foreign currency which relate to tourism in a paragraph.

Include the following aspects in your paragraph:

- Tourists' need for other currencies (2)
- Exchange rates (2)
- Changes in value (2)
- The impact of a weak rand on inbound and outbound tourism (4)
- Pre-loaded foreign currency debit cards as a preferred method of payment (2)

NOV 2015 NSC
QUESTION 3

Study the table below and answer the questions that follow.

Round off your answer to TWO decimal places.

COUNTRY	CURRENCY CODE	BBR	BSR
United Kingdom	GBP	15.66	16.39
Peru	PEN – Peruvian nuevo sol	3.90	3.55

TOURS ON OFFER:	
LED TOUR	**Peru: 7 nights from £1 560 p.p.**

3.1 Calculate the amount in rand that a South African will pay for ONE person for the above tour. (3)

3.2 A South African tourist has R250,00 in cash to pay for a handbag.

Calculate the amount of PEN the tourist will pay for the handbag. (3)

3.3 Explain the difference between the buying power of a South African tourist in Peru and his/her buying power in the United Kingdom. (4)

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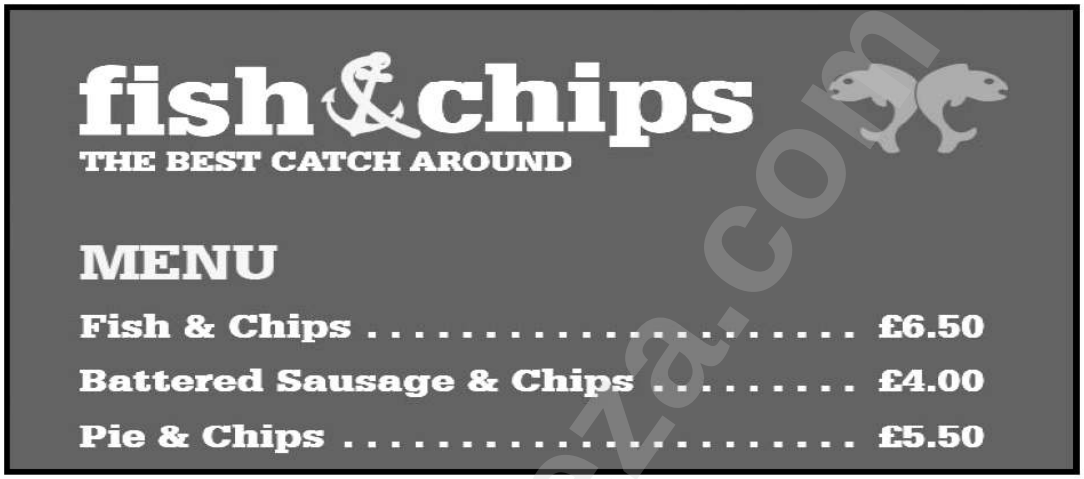
NOV 2016 NSC
QUESTION 3

3.1 Read the information below and answer the questions that follow.

A South African visited the United Kingdom in 2015 and in 2016. He bought fish and chips from the menu below on both trips.



Compare the value of the rand on both trips in the table below.

2015	2016
£1 = R22,55	£1 = R24,69

3.1.1 Calculate the cost of the fish and chips in ZAR:

NOTE: Show ALL calculations. Round off the answer to TWO decimal places.

(a) In 2015 (2)

(b) In 2016 (2)

3.1.2 State the year in which the tourist received the best value for his rand. (2)

3.2 Study the currency table below and answer the questions that follow.

COUNTRY	CURRENCY CODE	BBR	BSR
USA	USD	10,20	10,90

NOTE: Show ALL calculations. Round off the answer to TWO decimal places.

3.2.1 Mr Small, an American tourist, arrives in South Africa with USD12 600,00.

Calculate how much he will receive in rand when he exchanges his foreign currency at a foreign exchange bureau. (4)

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3.2.2 Mr Small would like to exchange his remaining rands before he leaves South Africa. He goes to a foreign exchange bureau to exchange R2 750 for US dollar.

Calculate the amount that he will receive in US dollar. (4)

NOV 2017 NSC
QUESTION 3

3.1 Study the information and the forex table below and answer the questions that follow.

Mrs Biggs, who lives in South Africa, went on a trip to the USA. Her son added R600,00 to her spending money, which she exchanged for USD at OR Tambo International Airport before she left South Africa.

When Mrs Biggs returned to South Africa she had US$219,99 left of all her spending money.

RAND/US DOLLAR EXCHANGE RATE TABLE			
COUNTRY	CURRENCY CODE	BBR	BSR
USA	USD	13.25	13.57

3.1.1 (a) Calculate the amount in USD that Mrs Biggs received when she exchanged the R600,00.

NOTE: Round off your answer to TWO decimal places. Show ALL the steps of your calculation. (4)

(b) Calculate the amount in rand Mrs Biggs received when she exchanged the US$219,99 in South Africa.

NOTE: Round off your answer to TWO decimal places. Show ALL the steps of your calculation. (4)

3.2 Refer to the extract below and answer the questions that follow.

MAJOR CURRENCIES TAKE A FALL

Europe, including the United Kingdom, has had a decline in the value of their currencies. Some economists have blamed it on Brexit* while others have blamed it on the influx of refugees into Europe. The drop in the value of the major currencies can impact negatively and positively on South Africans travelling to these countries.

*Britain's exit from the European Union

3.2.1 Name the TWO foreign currencies referred to in the extract above. (2)

3.2.2 Discuss, in a paragraph, THREE ways in which a drop in the exchange rate of the currencies mentioned in QUESTION 3.2.1 will have a positive impact on South Africans visiting Europe. (6)

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NOV 2018 NSC
QUESTION 3

Study the information below and answer the questions that follow.

EXCHANGE RATE TABLE
SOUTH AFRICAN RAND AGAINST CURRENCIES OF THE WORLD

FOREIGN EXCHANGE

16 November 2017

	We sell	We buy
CURRENCIES	**BSR**	**BBR**
Euro	16.85	16.81
Australian dollar	10.87	10.84
Canadian dollar	11.22	11.19
USA dollar	14.11	14.07
Czech koruna	0.66	0.63
Bulgarian lev	8.61	8.58
Turkish lira	3.69	3.65
Egyptian pound	0.81	0.77

3.1 With reference to the exchange rate table above, identify the strongest currency. (1)

3.2 3.2.1 Give ONE reason why the bank selling rate of the currencies in the table is higher than the bank buying rate. (2)

3.2.2 In the table above, identify the TWO countries where South Africans will receive the greatest value for their money. (2)

3.3 Ms Nobuhle Maliti lives in South Africa and wants to visit the United States of America (USA). She has R58 000,00 for the trip.

Her return flight ticket will cost R26 000,00, the USA visa and travel insurance will cost R3 800,00 and the tour package for the USA is R23 100.

3.3.1 Calculate, in rand, the total cost of Ms Maliti's trip to the USA. (2)

3.3.2 Will Ms Nobuhle Maliti have enough money for the trip?

Give ONE reason for your answer. (2)

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3.3.3 Ms Maliti exchanges R58 000 for USD at the OR Tambo International Airport.

Using the exchange rate table above, calculate the amount of US dollars Ms Maliti received when she exchanged the R58 000. (3)

3.3.4 When Ms Maliti returned to South Africa she had USD150 left which she exchanged at the OR Tambo International Airport.

Calculate the amount of rand she received. (3)

3.4 Study the magazine cover below and answer the questions that follow.

THE IMPACT OF A WEAK RAND

A weak rand can have both a negative and a positive impact on the tourism industry and on the South African economy.

The poverty and unemployment depicted in the picture is a dilemma (problem) many South Africans are faced with. This situation cannot be allowed to continue.

[Adapted from www.financialmail.com]

Refer to the scenario above, write a paragraph in which you discuss how a weak rand can help to alleviate poverty and unemployment in South Africa.

Your discussion must include the following:

- How a weak rand will give international visitors more buying power (2)
- How the scenario will contribute to the multiplier effect (2 x 2)

NOTE: ONE mark will be awarded for the paragraph format containing complete, well-constructed sentences without bullets or numbers. (1) (7)

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FEB-MARCH 2015 NSC
QUESTION 3

3.1 Study the exchange rate table and bank notes below and answer the questions that follow.

COUNTRY	CURRENCY CODE	BBR	BSR
United Kingdom	GBP	15.32	16.06
European countries	EUR	13.09	13.70
USA	USD	9.57	9.89

3.1.1 Name the currency represented on the two bank notes in the photograph above. (2)

3.1.2 A South African returns from the country where the currency mentioned in QUESTION 3.1.1 is used.

Add the value of the two bank notes together and then calculate the rand value when the South African exchanges his unused foreign currency at the bank.

Show ALL calculations and round off your answer to TWO decimal places. (3)

3.1.3 A South African exchanges R7 000 before his departure to New York.

Calculate the amount he would receive in US dollars.

Show ALL calculations and round off your answer to TWO decimal places. (3)

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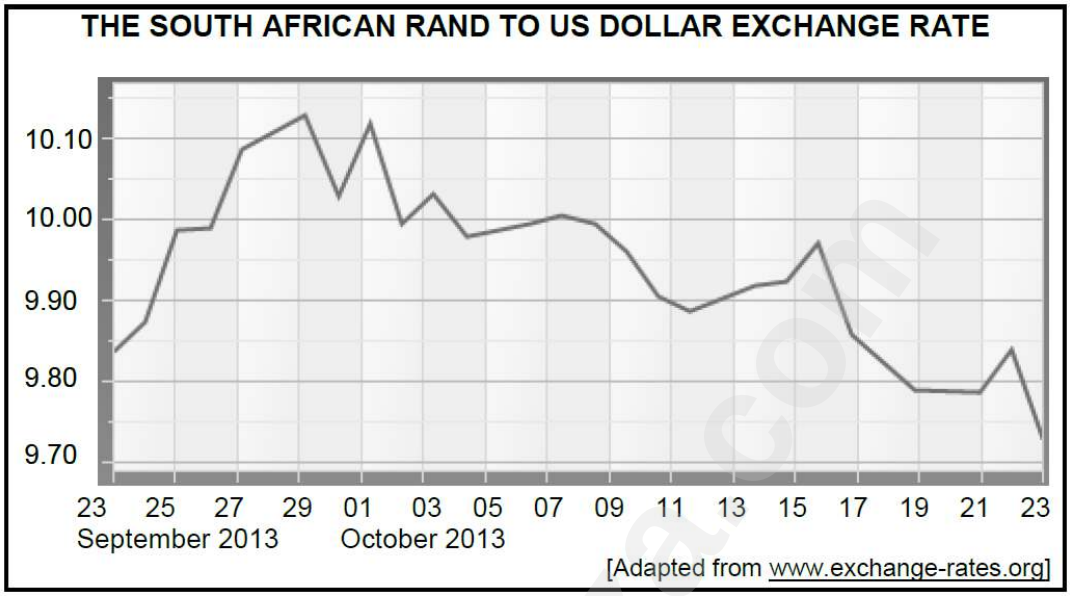
3.2 Study the South African rand to US dollar exchange rate graph below and answer the questions that follow.



3.2.1 State the value of the South African rand in relation to the US dollar on 8 October 2013. (2)

3.2.2 The line graph shows daily changes in the rate of exchange.

Give the term used for these changes in the exchange rate. (2)

3.2.3 Determine the date and the value of the exchange rate when:

(a) The rand was at its weakest (2)

(b) The rand was at its strongest (2)

3.2.4 Explain TWO ways in which the travel plans and budget of an inbound international tourist who visits South Africa will be affected by a weakening rand. (4)

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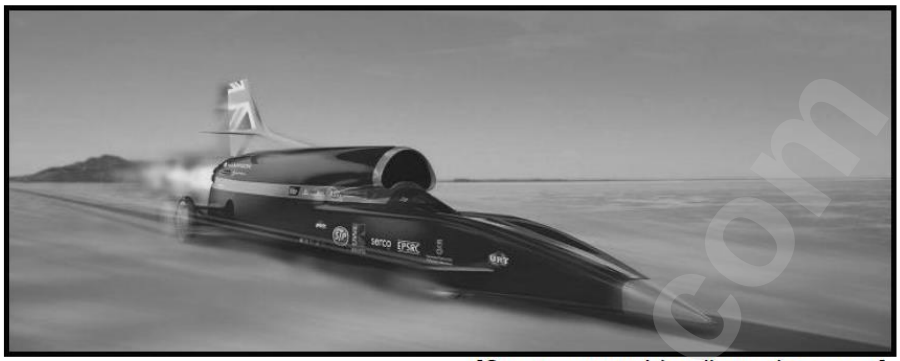
FEB-MARCH 2016 NSC
QUESTION 3

Read the information below and answer the questions that follow.

PROJECT BLOODHOUND



[Source: www.bloodhoundscc.com]

The Bloodhound team (who aims to break the world land speed record) searched the globe to find the perfect desert to test the fastest car on earth, the British-built Bloodhound SSC. After an intensive search, Hakskeenpan, in the remote reaches of South Africa's Northern Cape, was selected. Runway testing will be conducted in the United Kingdom and, all being well, the team plans to head to Hakskeenpan in October 2016.

3.3 Study the exchange rate table below and answer the questions that follow.

COUNTRY	CURRENCY CODE	BBR	BSR
United Kingdom	GBP	15.66	16.39

3.3.1 A Bloodhound team member has £1 300,00.

Calculate the amount in rands that he will get for his £1 300,00. (4)

3.3.2 A British tourist pays R550,00 for a Bloodhound T-shirt.

Calculate the amount in pounds the tourist will pay for the Bloodhound T-shirt. (4)

3.3.3 Discuss the buying power of the British team in South Africa, taking into account the exchange rate. (4)

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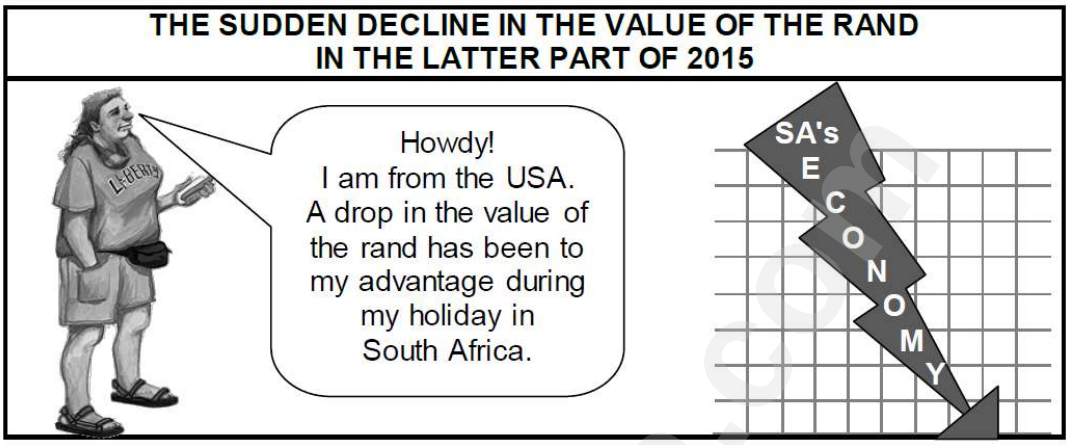
FEB-MARCH 2017 NSC
QUESTION 3

3.1 Study the cartoon below and answer the questions that follow.



3.1.1 Explain what the artist is addressing with regard to the value of the rand in the cartoon above. (2)

3.1.2 Discuss ONE way in which the value of the rand has benefitted the American tourist during her visit to South Africa. (2)

3.2 Study the currency rate table below and answer the questions that follow.

COUNTRY	CURRENCY CODE	BBR	BSR
United States of America	USD	15.90	16.50
Great Britain	GBP	23.57	23.95

3.2.1 A British tourist has 2 800,00 GBP and would like to change the GBP to ZAR for a holiday in South Africa. On arrival at OR Tambo International Airport the tourist visits the foreign exchange bureau to exchange the currency.

Calculate how much the tourist will receive in rands. (4)

3.2.2 Pume, a South African, is attending a conference in the United States of America. Her company has given her R15 500,00 for any extra expenses. She goes to a foreign exchange bureau to load this money onto a preloaded foreign currency debit card.

Calculate how much she will receive in US dollars on the preloaded card. (4)

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FEB-MARCH 2018 NSC
QUESTION 3

Study the information and the forex table below and answer the questions that follow.

A South African university choir has been invited to perform at an international music festival held in London (UK).

The members of the choir each received R610,00 spending money.

EXCHANGE RATES			
COUNTRY	**CURRENCY CODE**	**BBR**	**BSR**
United Kingdom	GBP	16,09	17,18
United States of America	USD	14.31	14.45

3.1 Calculate the amount in pounds that each student received when they exchanged R610,00 at the foreign exchange bureau at the OR Tambo International Airport.

NOTE: Round off your answer to TWO decimal places.
Show ALL the steps of your calculation. (4)

3.2 When they returned to South Africa, one of the choir members exchanged £26,35 at a foreign exchange bureau at the OR Tambo International Airport.

Calculate the amount in rand he received.

NOTE: Round off your answer to TWO decimal places.
Show ALL the steps of your calculation. (4)

3.3 List SIX factors that may have an impact on exchange rate fluctuations in South Africa. (6)

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MAY-JUNE 2018 NSC
QUESTION 3

3.1 Study the picture and the exchange rate table below and answer the questions that follow.

GRATUITIES (TIPPING)

An international visitor left a tip for the waitron on the table in a restaurant in South Africa.

COUNTRY	CURRENCY CODE	BBR	BSR
United Kingdom	GBP	16.00	16.06
European countries	EUR	13.60	13.70

3.1.1 Identify the currency that was left on the table for the waitron. (1)

3.1.2 (a) Add the total value of the foreign currency notes and coins left on the table. (1)

(b) Calculate how much the waitron could expect in rand when the owner of the restaurant exchanges the currency on behalf of the waitron. (3)

3.2 A British tourist left 27 British pounds on the table for the waitron.

3.2.1 Calculate the amount the waitron received in rand.

Show ALL calculations and round off your answer to TWO decimal places. (3)

3.2.2 (a) Compare the two scenarios above in terms of the value of the tips the waitron has received. (2)

(b) Explain how the gratuities (tips) received by the waitron can add to the multiplier effect in the nearby community. (2)

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MAY-JUNE 2019 NSC
QUESTION 3

3.1 Use the exchange rate table below to answer the questions that follow.

EXCHANGE RATE TABLE		
CURRENCY	**BBR**	**BSR**
Pound Sterling (GBP)	18.02	18.10

Upon their arrival in South Africa, Gareth and his mother exchanged GBP4000 for South African rand.

Calculate how much they received in rand. Round off your answer to TWO decimals. (3)

3.2 Gareth and his mother had ZAR2000 left at the end of their trip and exchanged the money for GBP at OR Tambo International Airport before they boarded their plane back to the UK.

Calculate the amount they received in GBP. Round off your answer to TWO decimals. (3)

3.3 Name ONE travel document Gareth's mother had to present before she could exchange currency. (1)

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SEPT 2014 EC
QUESTION 3

Read the scenario carefully and answer the questions below. Show all calculations.

Mr Dlamini will be taking R25 000 spending money for the trip (as referred to in the extract in QUESTION 2.1). His company has prepaid the flights and accommodation. Mr Langdon will be taking R15 000 spending money. Exchange rates are as follows:

CURRENCY	BBR	BSR
US dollar (USD $)	9,73	10,05
Argentine peso (ARS $)	1,69	1,72

3.1 Mr Dlamini exchanges R10 000 for Argentine peso before his departure.

3.1.1 Will the *bureau de change* exchange his rands using the Bank Buying Rate (BBR), or the Bank Selling Rate (BSR)? (1)

3.1.2 Calculate how many Argentine peso he will receive for his R10 000. (3)

3.2 Mr Dlamini exchanges the remaining R15 000 of his money for US dollars.

3.2.1 Calculate how many US dollars he will receive for his R15 000. (3)

3.2.2 Upon his return Mr Dlamini has USD $100 that he wants to exchange for ZAR. Calculate how much he will receive in ZAR. (3)

SEPT 2015 EC
QUESTION 3

Prior to departure Dr Adams (as referred to in the extract in QUESTION 2) will be exchanging ZAR 50 000,00 for the couple for their holiday. ZAR 15 000,00 will be exchanged for GBP and the rest will be in Euro. Flights and their accommodation in Paris will be paid electronically before their departure. Show all calculations.

Exchange rates are as follows:

CURRENCY	BBR	BSR
British Sterling (GBP £)	17,44	18,18
Euro (EUR €)	14,39	15,00

3.1 Advise Dr Adams on the best place to go to exchange his ZAR for foreign currency before their departure. (2)

3.2 Determine the amounts that the couple will receive when exchanging their ZAR for:

3.2.1 GBP (3)

3.2.2 Euros (3)

3.3 Dr Adams has €15 left after returning home. He exchanges this amount for rand. Calculate how much he will receive in ZAR. (3)

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SEPT 2016 EC
QUESTION 3

3.1 Mr and Mrs Mahoney from East London will be visiting Italy and thereafter the USA during the June holidays. The couple have R15 000 spending money for each part of their trip. On their return from the USA they have USD 150 left over of their spending money.

Country	Currency	Bank buying rate	Bank selling rate
Italy	Euro	16,05	16,65
USA	USD	14,83	15,19

[Source: www.absa.co.za]

3.1.1 (a) Advise the couple on ONE place they should go to exchange their ZAR for foreign currency before their departure. (2)

(b) Calculate the amount of foreign currency Mrs and Mrs Mahoney will receive for their trip to Italy. Show all calculations. (3)

3.1.2 On their return home, the couple have USD 150 of their spending money left over. Calculate the amount of ZAR they will receive. Show all calculations. (3)

3.1.3 Determine which holiday destination offered Mr and Mrs Mahoney the best value for their spending money. Motivate your answer. (2)

3.1.4 Explain how Mr and Mrs Mahoney's visit could contribute to the economies of the destinations they visited. (2 x 2) (4)

3.2 Study the table below:

Exchange rate: South African Rand (ZAR) to 1 US Dollar (USD)	
December 2013	10,50
December 2014	11,50
December 2015	15,63

Write a paragraph in which you discuss the effect of the downward trend of the ZAR in relation to the US Dollar on:

- Inbound tourism from the USA (2 x 2)
- South African outbound tourism to the USA (1 x 2) (6)

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SEPT 2017 EC
QUESTION 3

3.1 Study the *exchange rate* table below and answer the questions that follow.

Country	Currency code	BBR	BSR
Great Britain	GBP	18,63	19,34
European countries	EUR	15,53	16,11
USA	USD	14,14	14,46

3.1.1 A South African business tourist is visiting the USA. He has ZAR15 000 spending money. Calculate the amount of USD he will receive. (3)

3.1.2 A retired South African couple are planning to visit their family in London. They have ZAR25 000 to exchange for spending money.

(a) Calculate the amount of local currency they will receive. (3)

(b) Upon their return they have some of their spending money left over. Calculate the amount of ZAR they will receive if they exchange £20. (3)

(c) Identify the currency that they would have to exchange their ZAR for, if their family lived in France. (1)

3.2 In a paragraph, discuss the effect that a weak rand has on both inbound and outbound tourism. (2 x 2) (4)

3.3 In a paragraph explain the term multiplier effect and how it can benefit the tourism industry of a country. (2 x 2) (4)

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SEPT 2018 EC
QUESTION 3

3.1 Study the exchange rate table below and answer the questions that follow.

Country	Currency code	BBR	BSR
United States of America	USD	12,52	12,85
Great Britain	GBP	16,62	17,32

3.1.1 A tourist from London, England has 1 750 GBP and would like to change the GBP for ZAR for her holiday on arrival in South Africa. Calculate how much the tourist will receive in Rands.

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

3.1.2 Sipho, a businessman from Mdantsane, near East London, is travelling to a meeting in New York, USA. He has ZAR 22 510 as spending money.

(a) Sipho has been warned that exchange rates fluctuate on a daily basis and that he should do some research before exchanging his ZAR. Explain the term *fluctuate* with reference to exchange rates. (2)

(b) Calculate how much he will receive in USD when he exchanges his ZAR.

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

(c) Upon his return Sipho has 250 USD left over. Calculate how much he will receive in Rands when he exchanges the USD.

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

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3.2 Study the cartoon and answer the questions that follow.

SOUTH AFRICAN RAND STRENGTHENS!!

In a paragraph discuss the impact that a strong rand can have on:

- Tourists from the United States of America planning to visit South Africa
- South African outbound tourists
- South African domestic tourists (6)

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SEPT 2019 EC
QUESTION 3

3.1 Study the information and the forex table below and answer the questions.

Mr Dlepu from King William's Town is going on a business trip to England and France. He will be exchanging R20 000,00 for his visit to England and R15 500,00 for his visit to France.

Tourism region	Currency code	BBR	BSR
United Kingdom	GBP	17,66	18,36
European countries	EUR	15,88	16,47

3.1.1 Calculate the amount in pounds that Mr Dlepu will receive when he exchanges the R20 000,00 for his trip to England.

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

3.1.2 Calculate the amount of foreign currency that Mr Dlepu will have at his disposal while in France after exchanging R15 500,00.

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

3.1.3 On his return, Mr Dlepu has €25 to exchange for rands. Calculate the amount he will receive.

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

3.2 Study the table below and answer the questions.

Exchange rate: ZAR to Euro	
December 2016	14,44
December 2017	14,77
December 2018	16,27

3.2.1 (a) Identify the year in which the rand was the weakest in relation to the euro. (1)

(b) Motivate your answer to QUESTION 3.2.1 (a). (2)

3.2.2 Refer to your answer to QUESTION 3.2.1 (a) and discuss the effect that the trend mentioned could have on inbound tourism from European countries to South Africa. (4)

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