

CURRENCY EXCHANGE

Yay Global Market

Over the years I've bought a lot of stuff. And like most people, I'm looking for the sweetest deals. I've often purchased things from the United States because their prices are usually cheaper. What you do need to know is the cost of shipping, and the exchange rate to get it into *Canadian* Dollars.

Our formula to convert things is this:

WHAT I HAVE	X	WHAT I WANT
		WHAT I HAVE

If I buy something from another country, we need to know the EXCHANGE RATE. The exchange rate is just "what does \$1 of mine buy in their dollars?"

\$1 Canadian is worth ¥111 Yen

The exchange rate is 111

If I buy a \$400 power tool from the US, I need to know the exchange rate into the US dollar.

Here is a chart:

On the left side is what we **HAVE**.

On the top is what we **WANT**.

Find "Canadian" on the left side, and then move along horizontally until you find the "American" column. Where the Canadian row and American column meet, is where the exchange rate is. In this case it is **\$0.803**. Let's use that number.

	Into → ↓ From	WANT				
		Canadian \$	American \$	Euro €	British Pound £	Mexican Peso \$
HAVE	Canadian \$	→ 0.803	↓	0.705	0.522	11.960
	American \$	1.245	1.00	0.877	0.649	14.891
	Euro €	1.418	1.140	1.00	0.740	16.972
	British Pound £	1.916	1.541	1.351	1.00	22.925
	Mexican Peso \$	0.084	0.067	0.059	0.044	1.00

These numbers are not current - exchange rate always fluctuates

$$\begin{array}{rcl}
 \text{WHAT I HAVE} & \times & \frac{\text{WHAT I WANT}}{\text{WHAT I HAVE}} \\
 \\
 \$400 \text{ Canadian} & \times & \frac{\$0.803 \text{ US}}{\$1 \text{ CAD}}
 \end{array}$$

\$321.20 US

One time I bought a part for a vintage Lotus from the UK. It was £26 (British Pounds). It was also £22 shipping. So in total, that was:

$$£26 + £22 = £48$$

But what is that in Canadian Dollars? What is the exchange?

Using our chart, the exchange is

1.916

		WANT				
HAVE	Into →	Canadian \$	American \$	Euro €	British Pound £	Mexican Peso \$
	↓ From					
	Canadian \$	1.000	0.803	0.705	0.522	11.960
	American \$	1.247	1.000	0.877	0.649	14.891
	Euro €	1.418	1.140	1.000	0.740	16.972
	British Pound £	1.916	1.541	1.351	1.000	22.925
	Mexican Peso \$	0.084	0.067	0.059	0.044	1.000

$$\begin{array}{rcl}
 \text{WHAT I HAVE} & \times & \frac{\text{WHAT I WANT}}{\text{WHAT I HAVE}} \\
 \\
 £48 & \times & \frac{\$1.916 \text{ CAD}}{£1}
 \end{array}$$

\$91.97 CAD

REALITY CHECK: Shipping INTO Canada can be killer. I've often had stuff shipped to Oroville WA and I bring it across the border myself. If the product is over \$20 you have to pay taxes. If the product is made overseas, you have to pay Duty (often about 7%). Some shipping companies charge a Brokerage Fee to bring it across the border (nobody seems to know how that's calculated), but it all ends up being double the price when all the fees are added.