

Money: Converting Values in Foreign Currency

Lesson Plan

Grade Level: 6-8

Curriculum Focus: Mathematics

Lesson Duration: Two class periods

Student Objectives

- Learn that monetary exchange rates change constantly.
- Learn how to convert money in any currency into its equivalent in U.S. dollars by using readily available exchange rates, published in newspapers and available online.

Materials

- Discovery School video on *unitedstreaming: Money: Bucks, Banks & Business*
Search for this video by using the video title (or a portion of it) as the keyword.

Selected clips that support this lesson plan:

- What Is Money?
- A Brief History of Money

- Computer with Internet access
- Newspapers with financial information (optional)
- Travel guidebooks (optional)

Procedures

1. This activity –comparing local bus fares in cities around the world – is designed to make students comfortable with foreign currencies. It also highlights how much information the Internet provides people who are planning to travel to other parts of the world.
2. Send students to the Travel Center page at CNN’s financial Web site to find information on cities worldwide <http://money.cnn.com/pf/saving/travel>. Be prepared to help students who have difficulty finding and using this or other Web sites provided. (If computers with Internet access are not available, refer to newspapers with information about foreign-currency exchange rates.)
3. Tell each student to use the “City Guide” to select three cities outside the United States. The site allows users to select individual cities within three groupings: the Americas, Europe, and Asia/Africa.
4. When a student’s first city appears onscreen, he or she should click the “Introduction” and “Transportation” options. Within this text, the student should look for the price of the basic fare for a bus ride in town. The student may find a range of fares for in-town trips, in which case he

or she should note the most expensive. The student must note the amount of local currency that the bus ride costs, e.g., not simply “120” but “120dr” (for “120 drachmas”) for Athens and “1,500 lire” for Florence. If the target city does not have local bus service, the student should pick another city. (If computers with Internet access are not available, refer to travel guidebooks for fare information.)

5. After students have found bus fares for three cities, have them go to the following Web site: <http://www.oanda.com/converter/classic>. There they can follow the instructions to find out how much the three bus rides would cost in U.S. dollars. For example, the student can request a conversion of 120 Greek drachmas to U.S. dollars; of 1,500 lire to U.S. dollars; and so on. To convert currency successfully, the student must know the country in which each of the chosen destination cities is located. (Students without Internet access may do the mathematical conversions themselves, in pairs, small groups, or as a class.)
6. Ask students to hand in all the data they have found and their conclusions about which of their three cities charges the most for a local bus ride. Post their data and conclusions on a bulletin board, give students time to look at them, and hold a class discussion on their findings.

Assessment

Use the following three-point rubric to evaluate students’ work during this lesson.

- **3 points:** Students showed proficiency in using the Web sites or other resources to gather pertinent information and in converting fares to U.S. dollars, turned in data that clearly supported the correct conclusions, and actively participated in the class discussion.
- **2 points:** Students showed some skill in using the Web sites or other resources to gather pertinent information and in fares to U.S. dollars, turned in data that adequately supported the correct conclusions, and took some part in the class discussion
- **1 point:** Students had difficulty finding pertinent information on the Web sites or other resources and in converting fares to U.S. dollars, turned in data that failed to support the correct conclusions, and did not participate in the class discussion.

Vocabulary

assets

Definition: The entire property owned by a person or business that can be used to settle debts

Context: What Frank owns in money and merchandise are his assets.

counterfeit

Definition: To forge or make a copy of something

Context: Engravers do their best to foil people who try to counterfeit money.

credit

Definition: Reputation for solvency and integrity entitling a person to be trusted in buying or borrowing

Context: It is important to form a relationship with a bank to establish credit.

inflation

Definition: A general and progressive increase in prices and decline in the purchasing power of money

Context: As the expression goes, in inflation everything gets more valuable—except money.

liability

Definition: That which one is under obligation to pay, or for which one is liable

Context: What Frank owes in loans, rent, and bills are his liability.

recession

Definition: An extended decline in general business activity

Context: Economists are debating whether the country is in a recession.

Academic Standards

National Council of Teachers of Mathematics (NCTM)

The National Council of Teachers of Mathematics (NCTM) has developed national standards to provide guidelines for teaching mathematics. To view the standards online, go to <http://standards.nctm.org/>.

This lesson plan addresses the following math standards:

- Number and Operations
- Problem Solving

Mid-continent Research for Education and Learning (McREL)

McREL's Content Knowledge: A Compendium of Standards and Benchmarks for K-12 Education addresses 14 content areas. To view the standards and benchmarks, visit link: <http://www.mcrel.org/compendium/browse.asp>

This lesson plan addresses the following national standards:

- Mathematics— Uses a variety of strategies in the problem-solving, Uses basic and advanced procedures while performing the processes of computation
- Language Arts—Reading: Uses reading skills and strategies to understand and interpret a variety of informational texts

Support Materials

Develop custom worksheets, educational puzzles, online quizzes, and more with the free teaching tools offered on the Discoveryschool.com Web site. Create and print support materials, or save them to a Custom Classroom account for future use. To learn more, visit

- <http://school.discovery.com/teachingtools/teachingtools.html>



