

5.6: Currency Units

Money has units that can be treated like any other units, using the same techniques we've just seen. Two things are unique about units of currency:

- Each country has its own currency units. Examples are United States dollars (\$), British pounds sterling (£), European euros (€), and Japanese yen (¥).
- The conversion factors from one country's currency to another's is a function of time, and even varies minute to minute during the day. These conversion factors are called *exchange rates*, and may be found, for example, on the Internet at <http://www.xe.com/currencyconverter/>

✓ Example 5.6.1

You're shopping in Reykjavík, Iceland, and see an Icelandic wool scarf you'd like to buy. The price tag says 6990 kr. What is the price in U.S. dollars?

Solution

The unit of currency in Iceland is the Icelandic króna (kr). Looking up the exchange rate on the Internet, you find it is currently \$1 = 119.050kr. Then

$$6990\text{kr.} \times \frac{\$1.00}{119.050\text{kr.}} = \$58.71 \quad (5.6.1)$$

5.6: Currency Units is shared under a [CC BY-NC-SA 4.0](https://creativecommons.org/licenses/by-nc-sa/4.0/) license and was authored, remixed, and/or curated by LibreTexts.