Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period: \_\_\_\_\_\_\_\_\_\_\_

**Exchange Rates & Exchange: How Money Affects Trade**

Directions: Use the following website to answer the questions: <http://www.econedlink.org/lesson/342/>

1. What must a person do regarding currency if they demand products from another country?

2. Why does “price” of money change?

3. Define foreign exchange rate

4. What does a “floating” exchange rate mean?

5. Give four examples of factors that would cause a nation’s currency to appreciate

A.

B.

C.

D.

6. Explain the negative effect of a strong dollar.

7. How can changing exchange rates be self-correcting over time?