

# EXCHANGE RATES

## DESCRIPTION:

Exchange rates play an important role in the international economy affecting pricing decisions, supply chain costs, and financial planning for a company. Exchange rates also impact general economic conditions and policies for a country.

**Tutorial:** 25 slides  
**Problem Sets:** 4 problem sets; 29 questions  
**Average Time:** New Module – No data

## Sample question from problem set:

**Course:** 2020 Testing Update

**Module:** Exchange Rates / Problem Set ID: 11136

Huftl Guitars of Germany is both an importer of raw materials and an exporter of finished goods. About **24%** of the value of their cost of goods sold (COGS) is imported from Romania. On average, the COGS for their guitars is **580 Euros** and their average selling price per guitar is **1,280 Euros**, leaving a margin of **700 Euros** per guitar. Their largest market is the United States, with **6,110,000 Euros** of annual revenues. Their guitars sell for **1,660 USD** each in the United States.

Currency	Rate
Romanian Lei (RON)	5.11 EUR/RON
United States Dollar (USD)	1.07 EUR/USD

Given the current selling price in USD and presuming no other costs, what would Huftl Guitars receive in Euros for each guitar sold in the United States at the given exchange rate?

This question is correct. Skip or try again with no penalty.

  Euros (EUR)

PS3 1 2 3 4 5 6 7 8 SKIP QUESTION SUBMIT ANSWER EXIT

