

**1. The currency trader's quotation of the USD/EUR exchange rate for the client |  
At what rate, you as his client, will you sell EUR expressed in USD?**

has the following form:  $1.1824/39$  (bid/ask).

**2. The bank is quoting the following CZK bid and ask exchange rate. Calculate th**

EUR/CZK            0.0375            0.0425

the bid and ask exchange rate for EUR (four decimal places).

$$A (K/L) = \frac{1}{B (L/K)} \quad B (K/L) = \frac{1}{A (L/K)}$$



3. Bank's dealer is quoting the following EUR exchange rates. Calculate the middle

USD/EUR            1.2758            1.2766

*S (L/I*

*% spi*

the rate and the spread in absolute and percentage terms.

$$K) = \frac{A(L/K) + B(L/K)}{2}$$

$$\text{read}(L/K) = \frac{A(L/K) - B(L/K)}{A(L/K)} * 100$$

**4. The exchange rate of the euro (EUR) in the basic and current periods is specified. Calculate the exchange rate of the Czech koruna (CZK) in both periods and the percentage change. Determine which currency has been appreciated and which has been depreciated.**

E0            27.70 CZK/EUR

E1            26.14 CZK/EUR



ied as follows.

percentage change in the foreign exchange rate in both cases.

ed.

$$\Delta S \% = \frac{S_1 - S_0}{S_0} * 100$$

**5. Škoda Auto company has expected income cash flows of 125 000 PLN from busi**

CZK/PLN	6.2175	6.3543
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**Business in Poland. What are the expected cash flows in CZK?**

**6. Arcelor Mittal Tubular Products Karviná needs to buy 1 000 000 GBP to pay for 1**

CZK/GBP	29.8122	29.8538
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**the delivery. What will be the costs in CZK?**