



TOURISM

GRADE 11

REVISION QUESTION ANSWERS

TERM 2

TOPIC: FOREIGN EXCHANGE

All the answers in this document were sourced from previous ECDoE provincial marking guidelines.

This document consists of 5 pages.

TOPIC: FOREIGN EXCHANGE

NOV 2014 EC QUESTION 2

- 2.1 2.1.1 The multiplier effect means that money that is spent by visitors to an area, benefits the area as it is later spent in the local economy, thus multiplying the effect of that money in the community. ✓✓ (2)
- 2.1.2 **Direct benefit:** Initial tourist spending results in the service providers that are involved directly with the tourists receiving money. ✓
- Indirect benefit:** Local businesses that are the secondary receivers of tourists spending receive money and will, in turn, spend that money elsewhere. ✓ (2)
- 2.2 2.2.1 30 November 2013 ✓ (1)
- 2.2.2 16,2357 ✓ (1)
- 2.2.3 10,3293 ✓ (1)
- 2.2.4 (a) Foreign exchange bureau (bureau de change) ✓
 • Major hotels or holiday resorts
 • Travel agencies (1)
- (b) $R10\ 000 \div \checkmark 14,1060 \checkmark = \text{€}708,91 \checkmark$
OR
 $\text{€}708,91 \checkmark \checkmark \checkmark$ (3)
- (c) $\text{€}35 \times \checkmark 13,4970 \checkmark = R472,39 \checkmark$
OR
 $R472,39 \checkmark \checkmark \checkmark$ (3)

**NOV 2015 EC
QUESTION 3**

- 3.1 3.1.1 Foreign exchange bureau (bureaux de change)✓
Commercial bank✓
• Travel agencies
• Airport's foreign exchange bureau (kiosk) (Any 2 x 1) (2)
- 3.1.2 Exchange rate is the value of a currency in relation to other currencies. ✓✓
• The exchange rate is the rate at which one currency is exchanged for another. (2)
- 3.1.3 Changes in the value of one currency in relation to another currency on a daily basis. ✓✓
• Fluctuations refer to exchange rates that fluctuate (change) according to the supply of the local currency and tourist demand for the currency. (2)
- 3.1.4 A community can earn an income from tourism by selling products and services to tourists. ✓✓
• Jobs (direct employment and indirect employment) will be created.
• It will set the multiplier effect into motion. (2)
- 3.1.5 (a) $R8\ 500 \div 14.49 = €586,61$ ✓
OR
 $€586,61 \times 14.49 = R8\ 500$ ✓✓✓ (3)
- (b) $£75.00 \times 17.79 = R1334,25$ ✓
OR
 $R1334,25 \div 17.79 = £75.00$ ✓✓✓ (3)

**NOV 2016 EC
QUESTION 3**

- 3.1 3.1.1 The money of a country other than your own ✓✓ (2)
- 3.1.2 The value of a currency in relation to other currencies. ✓✓
 • The rate at which one currency is exchanged for another.
 • The act of exchanging currency of one country for its equivalent value in another (foreign) currency. (2)
- 3.2 Foreign exchange bureau (bureaux de change) ✓✓
 • Commercial bank
 • Travel agencies
 • Airport foreign exchange bureau (kiosk) (Any 1 x 2) (2)
- 3.3 $R\ 20\ 000 \div \checkmark 17.43 \checkmark = \text{€}1\ 147 \checkmark \checkmark$
OR
 $\text{€}1\ 147 \checkmark \checkmark \checkmark \checkmark$ (4)
- 3.4 Not necessarily as the rates quoted are for 22 March and rates fluctuate daily ✓✓
 • He could, depending on the fluctuation in the exchange rate (2)

**NOV 2017 EC
QUESTION 3**

- 3.1 $\$ 75 \times \checkmark 14,19 \checkmark = R\ 1064,25 \checkmark$ **OR** $R\ 1064,25 \checkmark \checkmark \checkmark$ (3)
- 3.2 3.2.1 Fluctuations refers to the increase and decrease of the exchange rate of a currency. ✓✓ (2)
- 3.2.2 Foreign exchange bureaus✓
 Commercial banks✓
 • Bureaux de change (2)
- 3.2.3 $R\ 8500 \div \checkmark 17,62 \checkmark = \text{£}\ 482,41 \checkmark$ **OR** $\text{£}\ 482,41 \checkmark \checkmark \checkmark$ (3)
- 3.3 The money spent by them in the local communities of the countries that they visit will set the multiplier effect in motion benefitting the economies. ✓✓
 • They will spend money on accommodation, activities, restaurants, shopping etc. benefitting the local economies.
 • Job creation for local communities.
- NOTE:** Do not award marks if no explanation is given. (2)

**NOV 2018 EC
QUESTION 3**

- 3.1 Foreign exchange ✓✓ (2)
- 3.2 US Dollar ✓✓
• US\$ (2)
- 3.3 **We buy:** This represents the bank buying rate whereby the bank buys foreign currency from clients at a specific rate. ✓✓
We sell: This represents the bank selling rate whereby the bank sells foreign currency to clients at a specific rate. ✓✓ (2 x 2) (4)
- 3.4 ZAR 18 500,00 ÷ ✓11,79 = US\$ 1569,13 ✓✓
OR
US\$ 1569,13 ✓✓✓ (3)

**NOV 2019 EC
QUESTION 3**

- 3.1 Great British Pound ✓✓
• British Pound
• Pound Sterling (2)
- 3.2 Foreign exchange bureau ✓✓
• Commercial bank (2)
- 3.3 A community can earn an income from tourism by selling products and services to tourists. ✓✓
Jobs (direct employment and indirect employment) will be created, setting the multiplier effect into motion. ✓✓
• When Mr Smith spends money in the local community of London, the money that he spends will have the effect of being multiplied later in that local economy. Therefore, the economy of London will benefit through his contribution to the economy of the area. (2 x 2) (4)
- 3.4 R25 500 ÷ ✓18,80 ✓ = £1 356,38 ✓
OR
£1 356,38 ✓✓✓ (3)
- 3.5 £15 x ✓18,09 ✓ = R271,35 ✓
OR
R271,35 ✓✓✓ (3)