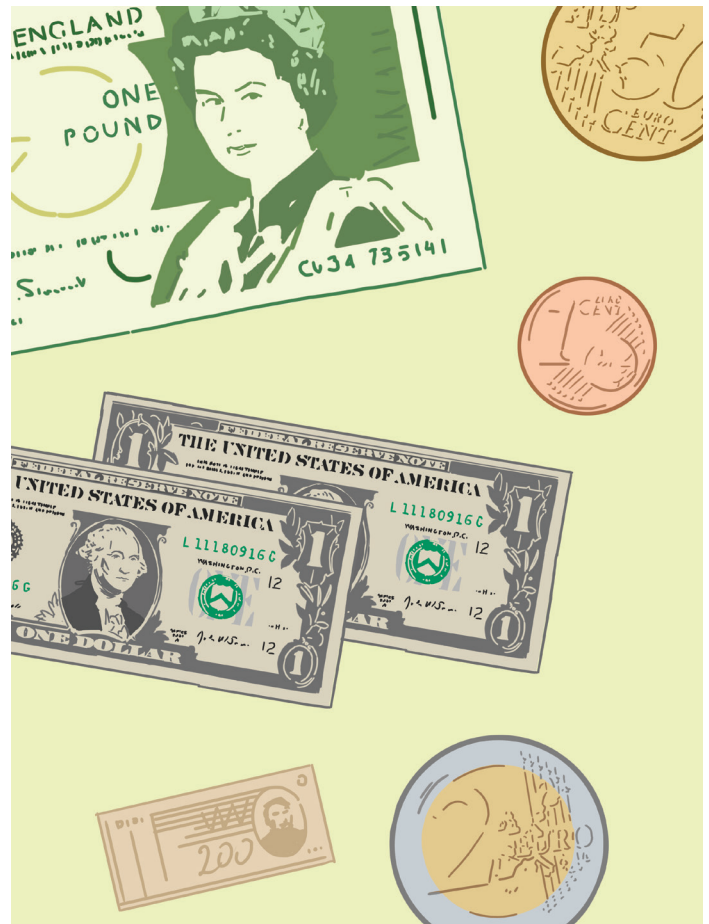


Currencies

Pre-Reading

A. Warm-Up Questions

1. Do you know what countries these types of currency are from: yen, pounds sterling, euro, peso, and rand?
2. Have you ever been to a country that uses another form of currency than yours? What was using another form of currency like?
3. What do you do when you need to convert currency? What reasons do people have for doing this?
4. Can you name any countries that have the "dollar" as the main form of currency?
5. Approximately how much money do you spend when you are on vacation?



B. Vocabulary Preview

Match the words on the left with the correct meanings on the right.

- | | |
|----------------------|---|
| ___ 1. currency | a) a round piece of metal money |
| ___ 2. coin | b) to change from one measurement into another (e.g., yen to euros) |
| ___ 3. bill | c) a rectangular piece of paper money |
| ___ 4. exception | d) continuous change |
| ___ 5. exchange rate | e) the place where money is made |
| ___ 6. flux | f) the system of money used in a specific region or country |
| ___ 7. mint | g) to begin using or having, to take on |
| ___ 8. convert | h) the value of one type of currency in comparison with another |
| ___ 9. adopt | i) any valid type of money that can be used to make a payment |
| ___ 10. legal tender | j) a case or thing that does not follow the usual rule or law |

Reading

CURRENCY

An Overview

1. **Currency**, in short, is money—both paper money, like **bills**, and **coins**. Different countries and systems have their own forms of currency, which are used to buy products and services. When people visit a place with another system of money, they need to exchange their money for the system of currency in use. Money is **legal tender** for goods, debts, charges, taxes, and dues or fees.
2. Most countries control the production of their own form of currency. For example, the United States **Mint** produces all the coins needed for Americans and visitors to use. There are four US Mints located across the country: Philadelphia, West Point, Denver, and San Francisco. The Bureau of Engraving and Printing is responsible for paper money. One **exception** is the euro. The euro is the form of money used by all countries in the European Union who have ceded control to the European Central Bank. Some countries that belong to the European Union and use the euro as their form of currency are France, Austria, Germany, Greece, Luxembourg, and Italy.
3. Several countries use the same name for their currency. The US **adopted** the dollar in the 1700s. Other countries, like Canada, Australia, New Zealand, Singapore, and Hong Kong all have dollars as their main form of currency. It should be noted that they are all different dollars and still need to be **converted**. In other words, a US dollar can't be spent in Australia. US dollars would be converted into Australian dollars before being accepted at an Australian establishment. All dollars are not worth the same amount either. At times, the US dollar might be worth more than the Canadian dollar or vice versa. The **exchange rate** is in **flux** and changes daily.
4. Other countries have other forms of currency besides the euro and the dollar. In Japan, the current form of money is the yen. The Swiss retained their own monetary system and have the franc. Mexico has a peso system, while Brazil has the real. The same is true for countries on the African continent. South Africa uses a rand as its main monetary form. It can be difficult to remember what money is used where and when on vacation or while doing business travel, so people have to remember that all money forms are not equal. People sometimes spend more than they intend to when visiting other countries.

Vocabulary Review 1

A. Currencies

Match the money unit in the left column with a country that uses it in the right column.

- | | | |
|-------|-----------|------------------|
| _____ | 1. dollar | a) Switzerland |
| _____ | 2. euro | b) South Africa |
| _____ | 3. franc | c) United States |
| _____ | 4. peso | d) Brazil |
| _____ | 5. real | e) Germany |
| _____ | 6. rand | f) Mexico |

B. Questions

1. Name two other countries that use a form of the dollar.

2. Name two other countries that use the euro.

C. Choose the Correct Word

Choose the word closest in meaning to the vocabulary word used in the reading.

- | | | | |
|--|--|--------------------------------------|------------|
| 1. currency | 2. coins | 3. bills | |
| a) economy | a) paper money | a) paper money | |
| b) money | b) metal money | b) metal money | |
| c) bills | c) international money | c) international money | |
| d) coins | d) domestic money | d) domestic money | |
| 4. exchange | 5. flux | 6. convert | 7. adopt |
| a) giving | a) always changing | a) buy | a) take on |
| b) taking | b) always the same | b) sell | b) own |
| c) trading | c) always increasing | c) change | c) buy |
| d) selling | d) always decreasing | d) remain | d) give |
| 8. mint | 9. exchange rate | 10. legal tender | |
| a) place where exchange rates are determined | a) how much one currency is worth | a) money that is accepted for use | |
| b) place where bills are made | b) how much two currencies are worth | b) money that is not real | |
| c) place where coins are made | c) the amount governments sell currencies for | c) money that is not allowed for use | |
| d) place where currency is purchased | d) the amount one currency is traded for another | d) money that is not exchanged | |

Pair Work (Partner A)

A. Reading

Read the short article to the right, but do not show it to your partner. Your partner will ask you questions about your article.

THE EURO

The euro is the currency used in the eurozone. As of January 2016, there were 25 countries, including 19 of 28 member states of the European Union (EU), using the euro. Because it is used by so many countries and their citizens, it is one of the most significant currencies in the world.

The euro came into existence in 1999 when countries such as the Netherlands, Portugal, Finland, and 12 others gave control to the European Central Bank that now manages and authorizes all policy associated with the euro. Over 300 million citizens use the euro. All European Union states are eligible to join this monetary system. However, not all of them have chosen to relinquish their own form of currency. The United Kingdom has retained pounds sterling and Denmark still uses the krone. There are a few other microstates that are not members of the EU that have adopted the euro. One example is Vatican City located within Italy.

One euro is divided into 100 cents which is similar to the United States dollar. One euro is not equal to one US dollar, though. The euro system contains both bills and coins and can be used in any country that belongs to the EU and has adopted the euro as its monetary form. Although it has had its ups and downs, the euro is a major player in the world economy.

B. Sharing Information

Work with your partner. Ask the questions to the right about your partner's reading. Write the answers in your notebook.

1. Who uses the US dollar?
2. What organization oversees the mints and bureaus?
3. Where is the US dollar used?
4. When was the US dollar adopted?
5. Why is the US dollar a significant part of the world economy?

Pair Work (Partner B)

A. Reading

Read the short article to the right, but do not show it to your partner. Your partner will ask you questions about your article.

THE UNITED STATES DOLLAR

The dollar is the unit of money that is used in the United States. A few other countries have a dollar system as well, but not all dollars are worth the same amount. The US dollar is divided into 100 cents and consists of both paper and metal money. Although other forms of currency were used in the country throughout its history, the dollar has been used since 1785 when it was adopted by the Congress of the Confederation.

Currently, there are billions of US dollars in circulation around the world. Therefore, the dollar is an important part of the world economy. US coins are produced by the United States Mint, and the bills are produced by the Bureau of Engraving and Printing. Both the mints and the bureaus are advised by the Treasurer of the United States who is part of the US Department of the Treasury. The dollar is used outside the United States as the standard unit for gold and petroleum. Even some businesses with little domination in the US use the dollar as their main form of currency.

The US dollar depreciated after the euro was introduced in 1999. However, the value of a dollar changes all the time and every money exchange should be checked beforehand to see how the rates will affect the trade.

B. Sharing Information

Work with your partner. Ask the questions to the right about your partner's reading. Write the answers in your notebook.

1. Who uses the euro?
2. What organization manages the euro?
3. Where are the countries that use the euro located?
4. When did the euro come into existence?
5. Why is the euro an important part of the world economy?

Vocabulary Review 2

Match the words in the left column with the best definition in the right column. If you don't know the answer, scan the pair work readings again and try to guess the meaning from the context.

- | | | |
|-------|----------------|-------------------------------------|
| _____ | 1. union | a) regulation, management |
| _____ | 2. significant | b) rules or actions |
| _____ | 3. control | c) associated with money |
| _____ | 4. authorize | d) one part |
| _____ | 5. policy | e) to give up |
| _____ | 6. eligible | f) an administration |
| _____ | 7. monetary | g) used and accepted by many |
| _____ | 8. relinquish | h) in use |
| _____ | 9. circulation | i) notable |
| _____ | 10. bureau | j) to make decisions |
| _____ | 11. standard | k) qualified |
| _____ | 12. unit | l) two or more things acting as one |

Group Work

Work with three classmates. Work together to answer the following questions. Write your answers in your notebook.

1. Choose four countries that you'd like to visit during your school break. List them.
2. What system of currency does each country have?
3. Look in the newspaper or online and determine what the exchange rate is between your country's currency and the currency of any other country you wish to visit on your vacation. Convert them.
4. If you had 50,000 in your local currency, how much would it be worth in each of your chosen vacation spots?
5. How would you convert your 50,000? Would you divide it equally among your choices or would it vary? Explain your choices.