**Lesson 4 - Foreign Exchange Market**

Answer Key Formal Assessment

**Objective:** To determine your level of understanding of a common European currencyand how the Foreign Exchange Market works.

**Please answer the following questions (be specific and detailed)**.

1. What kind of impact would a common European currency have on us as a nation? Answers will vary and should include key pieces of information gained from articles/discussions.
2. What kind of impact would a common European currency have on you as an individual? Answers will vary and should include key pieces of information gained from articles/discussions.
3. What is the function of the Foreign Exchange Market? The function of the Foreign Exchange

Market is a system in which traders exchange money on a client’s behalf (or individuals can do so online on their own behalf) from one currency to another with the intention of making a profit. Answers can also include specifics learned from the video/discussions.

1. What is the one key piece of information a person must know to conduct business in the Foreign Exchange Market? Need to know is the current exchange rate of each currency.

**Each of the first three questions will be worth 30 points and the fourth question will be worth 10 points.**