**A2 Business Studies Unit 4**

**Exchange Rates**

***Task: Complete the table to show the effects exchange rates have on manufacturing of cars in both the UK and France.***

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| **Exchange rate** | **French car (€15,000)** | **UK car (£12,000)** | **French raw materials (€4 per kilo)** |
| **Originally £1:€1.5** | £ in the UK | € in France | £ to UK businesses |
| **£ appreciates £1:€1.8** | £ | € | £ |
| **£ depreciates £1:€1.2** | £ | € | £ |