

**GRADE 10 ESSENTIAL
UNIT F – CONSUMER DECISIONS**

CLASS NOTES

1. It is important to know how to select a purchase that is the best value for your money. You hopefully have noticed that there are some rather skilful retail strategies at stores that readily extract extra money from unwary shoppers.

This unit is about how to best purchase items locally and internationally; the decisions and choices a consumer makes.

Below is a classic and frequent example of how retailers will blatantly ‘acquire’ your money if you are not paying attention.

2. What is the matter with the prices at the right?

a. **A one-Litre carton of Dairilyland 2% Milk for \$1.62**

compared to

b. **a two-litre carton of Dairilyland 2% Milk for \$3.79**

3. What kind of silly shopper would buy the one two-litre container when two one-litres would save them 55 cents. Imagine saving 55 cents every time you buy milk, that could be hundreds of dollars a year if you have a large family.

4. *Sometimes* they even put the two-litre on sale for \$3.59! They just disappear off the shelves then!

This is at my local store and has been like this for 10 years! So amusing!

The packaging and labelling of prices is very clear and does not contravene any laws!



It is your **choice** if you want to give the company your money for *no good reason*!

You probably willingly give merchants \$1,000 a year for no reason if you are not attentive.



UNIT COSTS

5. It is important to know how to select the 'best' buy from a price perspective. The price per unit.
6. **Method:** In order to compare products they must be in the same size unit amounts. Then the **ratio** of the price per unit quantity can be fairly compared. Normally we compare the dollars per one gram, or dollars per one litre, or dollars per one whatever,....
7. **Metric Conversion Units.** Recall the basic conversions most often required in Canada are:

100cm = 1 meter	1 ml = 1 cc
1000 g = 1 kg	1000 ml = 1 litre

8. **Non – Metric Units (US).** Canadians do all their measures in the metric system. In the event you are trying to compare prices in non-Metric Units with Metric Units (SI Units) you may need some of these: (You can also check the conversion tables from previous mathematics grades or on the web)

1 Gallon (US) = 3.785 L	1 Gallon (Imp) = 4.546 litres	1 fluid Oz = 29.6 ml
1 Gallon US = 128 Oz	1 Kg = 2.2 lbs	4 quarts = 1 Gallon

9. Example calculations of finding unit costs:

- a. Sugar: 2 kg for \$2.69

4 kg for \$4.99

10 kg for \$10.99

The best value for money is:

a. $\$2.69 \div 2 = \1.35 per 1 kg

b. $\$1.25 / \text{kg}$

c. $\$1.10 / \text{kg}$

- b. Flour:

2 kg for \$4.49

1 Kg for \$2.29

10 Kg for \$10.00

You calculate the unit price and best value for money:

- c. Beans: You calculate the unit price and best value for money:
- 398 ml for \$1.29
 - 540 ml for \$1.69
 - 1.36 L for \$3.39
- d. Toilet Paper You calculate the unit price and best value for money: [*tricky?*]
- 4 rolls of 2-ply for \$1.99
 - 8 rolls of 3-ply for \$4.49
 - 8 rolls of 3-ply for \$4.49
- e. Soft Drinks: You calculate the unit price and best value for money:
- 24 – 355 ml cans for \$10.75
 - 12 by 355 ml cans for \$5.89
 - 2 litre bottle for \$2.19
- f. Gasoline:
- 1 Litre for \$1.20 Canadian
 - 1 USG (US Gallon) for \$4.00 American
- (Assume that you can buy a US Dollar for \$1.05 Canadian).
11. There are lots of other considerations besides just the unit price when you buy something. What other factors might affect your decision as to what to buy besides just price?



EXCHANGE RATES

12. Exchanging money when you go to a different country or when you order a product on-line can be confusing! It is really exactly the same as converting *meters to feet*, or *miles to kilometres*, etc; **except** that there are **two different** conversion factors. If you are **buying** the foreign money it is *one rate*, if you are cashing it in (**selling it**) to get Canadian \$ it is a *different rate* (and less beneficial) rate!

Why the different rates? _____

13. Attached at the end of these notes is a typical exchange rate table. It will be explained in class.

14. **You Buy** foreign money from the bank (they sell to you) with Canadian Dollars so you can go on holiday or buy something on the internet from another country:

120 USD	$120 \cancel{USD} * \frac{1.25 \cancel{Cdn}}{1 \cancel{USD}} = 150 Cdn$ <p>Set up the unit conversion fraction so you are eliminating the unit you no longer want in favour of the unit you do want.</p>
14,000 MXN Pesos	
650 Euros	
13,400 YEN	



23. **You Sell** your foreign money to the bank (ie: they buy it from you) to get Canadian Dollars. Like when you have just come back from a trip outside Canada.

120 USD	
13400 YEN	
200 UK Pounds	
120 NZ Dollars	

15. You want to buy the indicated currency from the bank with a fixed amount of Canadian Dollars. Example: you take \$1,000 Cdn to the bank and say: “how many US Dollars can I get?”

1,000 Cdn and you want to buy as many USD as possible	
\$1,200 CDN and you want to buy English Pounds (aka: £GBP)	









16. You want to order through the internet

A pair of slippers costs 23 Australian Dollars (\$AUD). But you buy them through Pay Pal so the cost gets converted to USD by Pay PAL at a rate of 1 USD = 0.97 Australian Dollars. Then it gets billed to your Canadian MasterCard at the M/C rate of 1.45 Cdn dollars per USD.
















How much do the slippers cost you in Canadian Dollars on your mastercard.

EXCHANGE RATES AT THE BANK

CANADIAN DOLLAR EXCHANGE RATES FRIDAY, OCTOBER 22, 2004			
CURRENCY		WE BUY	WE SELL
 USD	United States Dollar	1.2360	1.2500
XAU	GOLD	514.00	548.00
XAG	SILVER	7.20	11.10
 EURO	EURO	1.5460	1.5870
 CZK	Czech Republic Korun	0.0476	0.0565
 DKK	Danish Kroner	0.2061	0.2174
 GBP	English Pound Sterling	2.2380	2.2980
 HUF	Hungarian Forint	0.00596	0.00699
 NIRE	Northern Ireland Pound	2.1750	2.2890
 NOK	Norwegian Kroner	0.1865	0.1977
 SCO	Scottish Pound	2.1750	2.2890
 SEK	Swedish Kroner	0.1684	0.1777
 CHF	Swiss Franc	1.0050	1.0330
 JPY	Japanese Yen	0.01134	0.01171
 CNY	China Yuan	0.1382	0.1721
 HKD	Hong Kong Dollar	0.1515	0.1669
 KRW	Korean Won	0.00094	0.00120

WHAT THE BANK DOES!

WE BUY WE SELL

 THB	Thai Baht	0.0275	0.0347
 TWD	Taiwan Dollar	0.0322	0.0409
 AUD	Australian Dollar	0.8980	0.9490
 MYR	Malaysian Ringgit	0.3080	0.3535
 NZD	New Zealand Dollar	0.8420	0.8960
 SGD	Singapore Dollar	0.7185	0.7650
 MXN	Mexican Peso	0.0990	0.1158
 ATS	Austrian Schilling	0.0797	Not For Sale
 BEF	Belgian Franc	0.0271	Not For Sale
 FIM	Finnish Markka	0.1845	Not For Sale
 FRF	French Francs	0.1672	Not For Sale
 DEM	German Mark	0.5850	Not For Sale
 GRD	Greek Drachma	0.00322	Not For Sale
 IEP	Irish Punt	1.3930	Not For Sale
 ITL	Italian Lira	0.000565	Not For Sale
 NLG	Netherlands Guilder	Outmoded	
 PTE	Portuguese Escudo	0.00546	Not For Sale
 ESP	Spanish Peseta	0.00658	Not For Sale