**Lesson 3 ‐ The Role of the International Monetary System**

**Formal Assessment**

**Objective:** To determine your level of understanding of the International Monetary Fund (IMF) and its role, the pros and cons of both fixed and flexible exchange rates, and your ability to convert currency.

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

1. What is the role of the International Monetary Fund (IMF)?
2. Identify one pro and one con for using a flexible exchange rate.
3. Identify one pro and one con for using a fixed exchange rate.
4. Using the exchange calculator at <http://www.xe.com/ucc/>, find and report the current amount you would receive if you were traveling to Great Britain.

Answers will vary and need to include specifics from the lesson for questions 1,2 and 3.

Answers may vary from day to day for question 4.