



— An American exchanges 10,000 US dollars to acquire 200,000 Mexican pesos. The pesos are used to import Mexican goods into the United States.

- - - The Mexican who gave up the pesos trades the 10,000 US dollars for 1,000,000 Japanese yen. The yen is used to import Japanese goods into Mexico.

..... The Japanese who gave up the yen trades the 1,000,000 yen for 10,000 US dollars. The dollars are used to import US goods into Japan.

Norwood et al 2/E

Figure 7.6

30p0 wide X 20p0 High