

## **MONEY: DOLLAR VS. WON**

**GRADES:** 4-12

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**SUBJECT:** Social Studies, Economics

**TIME REQUIRED:** 1 class period

### **OBJECTIVES:**

1. Recognize the currency of the Republic of Korea
2. Convert Korean money to United States money

### **MATERIALS REQUIRED:**

- Copies of prepared handouts

### **PROCEDURES:**

1. Discuss the concept of money in a society. Discuss what money is and why it is used. Make sure that the students are familiar with U.S. money by demonstrating various denominations of United States currency and coins. Discuss the value of each item and the symbolism that is represented on each item.
2. Distribute copies of handout 1, which includes information on the Korean economy, currency and coins, and exchange rates. Read and discuss this information as a class.
3. Distribute copies of handouts 2 and 3 to each student. Study and discuss the examples of Korean money and complete handout 2.

### **EVALUATION:**

- Grades should be based on student's participation and comprehension of the concept of money and currency as shown through the activities in this lesson.

### **ENRICHMENT:**

- Study examples of U.S. currency and coins. What pictures and symbols do you notice on them? Are there any similarities between Korean and U.S. currency and coins?
- Bring in other foreign currencies and coins that you might have at home. Locate their areas of origin on a world map. Examine the symbols on each and discuss what it tells about that country's culture.

## HANDOUT 1: BACKGROUND INFORMATION

South Korea continues to experience rapid economic growth and development. The gross domestic product (GDP) grew at more than six percent annually in the late 1980s. A global recession and domestic difficulties caused slower growth in the early 1990s, but South Korea is still considered an Asian economic powerhouse. Growth for 1994 was about eight percent. Since 1987, incomes have risen 50 percent, and the middle class has grown to the point that most families identify themselves as part of it. Real GDP per capita is \$9,250. South Korea's success is based on export-oriented industry.

The agricultural sector contributes about 11 percent of the GDP. Chief products include rice, barley, vegetables and fish. About 16 percent of the labor force is employed in agriculture and lives in rural villages, cultivating small plots of collective farms. More than a third of the labor force works in mining and manufacturing. The rest is involved in service occupations. Korea's industries include textiles and clothing, chemicals, steel, electronics and automobiles. Shipbuilding is also important. Unemployment and inflation remain relatively low.

The unit of Korean currency is the won (W). Coin denominations are W1, W5, W10, W50, W100 and W500. Banknote denominations are W1000, W5000 and W10,000.

Foreign bank notes and traveler's checks can be converted into Korean won at foreign exchange banks and other authorized money changers. Money can also be changed at any bank, travel agency or tourist hotel. The exchange rate is subject to market fluctuations.

Credit cards, including VISA, American Express, Diners Club, Master Card, JCB and Carte Blanche are accepted at major hotels, department stores and tourist restaurants.

NOTE: South Korea's economy, along with other East Asian economies, encountered a major crisis in December 1997. Since then, Korea has managed to recover from this setback and is continuing to reconstruct its economy.

### **EXCHANGE RATES:**

The exchange rate is subject to market fluctuations. In the summer of 1997, the average exchange rate was one U.S. dollar to 880 won. One won equaled .00114 U.S. cents.

The following exchange rate equations were used in 1997:

1 won	=	\$0.00114
5 won	=	\$0.0057
10 won	=	\$0.0114
15 won	=	\$0.0171
20 won	=	\$0.0228
30 won	=	\$0.0342
40 won	=	\$0.0456
50 won	=	\$0.057
60 won	=	\$0.0684
70 won	=	\$0.0798

80 won	=	\$0.0912
90 won	=	\$0.1026
100 won	=	\$0.114
500 won	=	\$0.57
1000 won	=	\$1.14
5000 won	=	\$5.70
10,000 won	=	\$11.40

1 U.S. dollar = 880 won

Examples:

1 won = 1 won X \$0.00114 = \$0.00114

5 won = 5 won X \$0.00114 = \$0.0057

1 U.S. dollar = 1 U.S. dollar X 880 won = 880 won

5 U.S. dollars = 5 U.S. dollars X 880 won = 4400 won

## HANDOUT 2: KOREAN COINS AND CURRENCY

1. Study the examples of Korean money on the following pages. Identify each piece, starting with W10 and up, and write down what it is called.
2. What are some of the noticeable pictures on these pieces of money?
3. Locate examples of symbolism on the money.
4. Locate examples of different languages on Korean currency notes.
5. Research the most current exchange rate between the Korean won and U.S. dollar in order to calculate how much each Korean currency note and coin would be worth in U.S. dollars and cents.

- |     |            |   |    |
|-----|------------|---|----|
| 1.  | 25 won     | = | \$ |
| 2.  | 75 won     | = | \$ |
| 3.  | 200 won    | = | \$ |
| 4.  | 250 won    | = | \$ |
| 5.  | 700 won    | = | \$ |
| 6.  | 1200 won   | = | \$ |
| 7.  | 1500 won   | = | \$ |
| 8.  | 2500 won   | = | \$ |
| 9.  | 4000 won   | = | \$ |
| 10. | 5000 won   | = | \$ |
| 11. | 7500 won   | = | \$ |
| 12. | 50,000 won | = | \$ |

## KOREAN COINS AND CURRENCY



Four kinds of coins (six coins exist in the nominal system: 1, 5, 10, 50, 100, 500 won) are currently used in Korea. The monetary unit is won.  
(As of February 2001, 1 and 5 won coins are no longer in use.)



10 won  
Diameter: 22.8 mm  
Weight: 4.0 g  
Material: brass  
Rim: flat



50 won  
Diameter: 21.6mm  
Weight: 4.1 g  
Material: nickel-brass  
Rim: jagged



100 won  
Diameter: 24 mm  
Weight: 5.4 g  
Material: cupronickel  
Rim: jagged



500 won  
Diameter: 26.5 mm  
Weight: 7.7 g  
Material: cupronickel  
Rim: jagged

Three kinds of bills are currently used in Korea: 1,000; 5,000 and 10,000 won.



1,000 won  
Front Side  
(151mm X 76mm)



1,000 won  
Back Side  
(151mm X 76mm)



5,000 won  
Front Side  
(156mm X 76mm)



5,000 won  
Back Side  
(156mm X 76mm)



10,000 won  
Front Side  
(161mm X 76mm)



10,000 won  
Front Side  
(161mm X 76mm)

## ANSWER KEY: CHECKING OUT KOREAN COINS AND CURRENCY

1. (see coin and currency sheets)
2. coins:      W10—temple  
                  W50—rice  
                  W100—man  
                  W500—bird  
      currency: W1000—man, arrows and jar, buildings at Confucian college;  
                  W5000—man, bird, building  
                  W10,000—man, dragon, building
3. pictures, animals, designs
4. Korean and English
5. answers will vary