When the value of a currency rises, so that the currency exchanges for more of other currencies, the exchange rate is described as appreciating or “strengthening.” When the value of a currency falls, so that a currency trades for less of other currencies, the exchange rate is described as depreciating or “weakening.” As a result, the stronger dollar means that the importing firm will earn higher profits than expected. The firm will seek to expand its sales in the U.S. economy, or it may reduce prices, which will also lead to expanded sales. First, we note that the demand for U.S. exports is a function of the price of those exports, which depends on the dollar price of those goods and the exchange rate of the dollar in terms of foreign currency. Conformity is a powerful social force that can influence our behavior for good and sometimes bad. Learn more about the psychology of conformity. Some of the best-known experiments on the psychology of conformity deal with people going along with the group, even when they know the group is wrong. Jenness's 1932 Experiment: In one of the earliest experiments on conformity, Jenness asked participants to estimate the number of beans in a bottle. They first estimated the number individually and then later as a group. After they were asked as a group, they were then asked again individually and the experimenter found that their estimates shifted from their original guess to closer to what other members of the group had guessed.