

PRACTICE QUIZ

Complete this **Practice Quiz** to see how you are doing.

1. Adam worked 52 hours in one week for American Airlines. Adam earns \$10 per hour. What is Adam's gross pay, assuming overtime is at time-and-a-half?

Answer:

$$40 \text{ hours} \times \$10.00 = \$400.00$$

$$12 \text{ hours} \times \$15.00 = \underline{180.00} \text{ } (\$10.00 \times 1.5 = \$15.00)$$

$$\underline{\$580.00}$$

2. Mike had \$180,000 in sales for the month. Mike's commission rate is 9%, and he had a \$3,500 draw. What was Mike's end-of-month commission?

Answer:

$$\$180,000 \times .09 = \$16,200$$

$$\underline{- 3,500}$$

$$\underline{\$12,700}$$

3. Mary receives a \$1,000 monthly salary. She also receives a variable commission on net sales based on the following schedule (commission doesn't begin until Mary earns \$8,000 in net sales):

\$8,000–\$12,000	1%	Excess of \$20,000 to \$40,000	5%
Excess of \$12,000 to \$20,000	3%	More than \$40,000	8%

Assume Bob earns \$40,000 net sales for the month. What is his gross pay?

Answer:

$$\text{Gross pay} = \$1,000 + (\$4,000 \times .01) + (\$8,000 \times .03) + (\$20,000 \times .05)$$

$$= \$1,000 + \$40 + \$240 + \$1,000$$

$$= \underline{\$2,280}$$

4. Omar, a 22-year-old college-educated man, accepted a job at Dell, for \$32 a day at 12 hours a day, 6 days a week. What were Omar's hourly, weekly, and annual gross pay? **(Round the hourly gross pay to the nearest cent.)**

	Amount
Hourly gross pay \$	<input type="text"/>
Weekly gross pay \$	<input type="text"/>
Annual gross pay \$	<input type="text"/>

Answer:

$\$32/12 = \2.67 hourly gross pay
 $\$32 \times 6 = \192 weekly gross pay
 $\$192 \times 52 = \$9,984$ annual gross pay

5. Amy earns \$796 per week plus 2% of sales over \$6,500. Amy's week sales are \$10,350. How much does Amy earn?

Amount earned \$

Answer:

$\$796 + (0.02 \times \$3,850) = \$796 + \$77 = \$873$

6. Complete the following table. **(Round your "gross pay" to the nearest cent.)**

Employee	M	T	W	Th	F	Hours	Rate per hour	Gross pay
Pete Paul	11	6	8	7	6	<input type="text" value="38"/>	\$7.95	\$ <input type="text" value="302.10"/>

Answer:

$11 + 6 + 8 + 7 + 6 = 38 \times \$7.95 = \$302.10$

7. Complete the following table (assume the overtime for each employee is a time-and-a-half rate after 40 hours): **(Do not round intermediate calculations. Round your "overtime rate" and "gross earnings" to the nearest cent.)**

Employee	M	T	W	Th	F	Sa	Total regular hours	Total overtime hours	Regular rate	Overtime rate	Gross earnings
Tagney	14	8	9	9	5	1	40	6	\$7.60	\$ 11.40	\$ 372.40

Answer:

$$\begin{array}{r}
 40 \times \$ 7.60 = \$304.00 \\
 6 \times \$11.40 = \quad 68.40 \\
 \hline
 \underline{\underline{\$372.40}}
 \end{array}$$

8. Calculate the gross earning. **(Round your answer to the nearest cent.)**

Worker	Number of units produced	Rate per unit	Gross earning
Swan	846	\$0.58	\$ 490.68

Answer:

$$(\$0.58 \times 846) = \$490.68$$

9. Calculate the gross earning for an apple picker based on the following differential pay scale: **(Round your answer to the nearest cent.)**

1–1,000: \$0.03 each 1,001–1,600: \$0.05 each Over 1,600: \$0.07 each

Apple picker	Number of apples picked	Gross earning
Rice	1,925	\$ 82.75

Answer:

$$(1,000 \times \$0.03) + (600 \times \$0.05) + (325 \times \$0.07) = \$82.75$$

10. Complete the following table:

Employee	Total sales	Commission rate	Draw	End-of-month commission received
Reese	\$300,000	7%	\$8,000	\$ <input type="text" value="13,000"/>

Answer:

$$\begin{array}{r}
 0.07 \times \$300,000 = \$21,000 \\
 \quad \quad \quad - \quad 8,000 \\
 \hline
 \quad \quad \quad \underline{\underline{\$13,000}}
 \end{array}$$

11. Zoho Company has the following commission schedule:

Commission rate	Sales
2%	Up to \$80,000
3.5%	Excess of \$80,000 to \$100,000
4%	More than \$100,000

Calculate the gross earning.

Employee	Total sales	Gross earning
Ron Ear	\$155,000	\$ <input type="text" value="4,500"/>

Answer:

$$\begin{array}{r}
 \$ 80,000 \times 0.02 = \$ 1,600 \\
 \$ 20,000 \times 0.035 = \quad 700 \\
 \$ 55,000 \times 0.04 = \quad 2,200 \\
 \hline
 \quad \quad \quad \underline{\underline{\$ 4,500}}
 \end{array}$$

12. An advertising company pays its salespeople a weekly salary plus a 2% commission on all net sales over \$5,000 (no commission on returned goods):

Complete the following table. **(Round your answers to the nearest cent.)**

Employee	Gross sales	Return	Net sales	Given quota	Commission sales	Commission rate	Total commission	Regular wage	Total wage
Ring	\$8,000	\$25	\$ <input type="text" value="7,975.00"/>	\$5,000	\$ <input type="text" value="2,975.00"/>	2%	\$ <input type="text" value="59.50"/>	\$250	\$ <input type="text" value="309.50"/>

Answer:

$$\begin{array}{l}
 \$8,000 - \$25 = \$7,975 - \$5,000 = \$2,975 \times .02 = \$59.50 \\
 \$250.00 + \$59.50 = \$309.50
 \end{array}$$

13. An advertising company pays its salespeople a weekly salary plus a 2% commission on all net sales over \$5,000 (no commission on returned goods).

Complete the following table.

Employee	Gross sales	Return	Net sales	Given quota	Commission sales	Commission rate	Total commission
Porter	\$12,000	\$100	\$ 11,900	\$5,000	\$ 6,900	2%	\$ 138

Answer:

$$\$12,000 - \$100 = \$11,900 - \$5,000 = \$6,900 \times .02 = \$138.00$$

$$\$250.00 + \$138.00 = \$388.00$$