Test Review

1. Define these terms:
   a. Gross Pay

   all money you earn including tips, bonuses other benefits

   b. Base Pay

   Salary or

   hour, earned via hourly rate

2. Complete the chart below:

Type of pay period	Number of pay periods per year
Monthly	12
Semimonthly	24
Biweekly	26
Weekly	52

3. Explain the difference between being paid via straight commission versus a blended salary.

   straight commission only get paid according to your production

Blended – combination of production and hourly or salary (base pay)

4. What are two other names for an independent contractor?

freelancer
consultant
contractor

5. Explain what a contract is and what it intended to do.

agreement between 2 or more parties.
it describes each parties' obligations.

6. What is the difference between earned income and unearned income?

earned income – you earned (salary, hourly)

unearned income – rental income, bonuses

7. Why was money created?

Convenience

8. What is bartering?

trading

9. What is minimum wage and what is THE minimum wage here in North Bend?

the minimum amount employer $11
is allowed to pay employees

10. What is overtime? When does it typically apply?

extra pay for extra work (beyond standard)

anything more than 40 hrs/week

11. Margaret is a regional sales representative for a cable television company. She earns a straight commission of 15% of all sales in her region. Last year, there were $575,000 sales for the region. What was Margaret's total commission last year?

$$\begin{array}{r} \$575{,}000 \\ .15 \\ \hline \$86{,}250 \end{array}$$

12. Brooke is a sales representative for a company that sells medical devices. She earns a base annual salary of $50,000 along with a commission of 4% of her total sales. Last year, Brooke sold $950,000 worth of medical devices. What was Brooke's annual gross pay last year?

$$\begin{array}{r} 50{,}000 \\ + 38{,}000 \\ \hline \$88{,}000 \end{array}$$

$$\begin{array}{r} \$950{,}000 \\ .04 \\ \hline 38{,}000 \end{array}$$

13. Niko works for an online media relations company. He earns a base annual salary of $40,000 plus a commission of 5% of the sales that he makes to each of his clients. This year, Niko is on target to sell about $590,000 worth of services to his clients. What will Niko's annual gross pay be?

$$\begin{array}{r} 40{,}000 \\ + 29{,}500 \\ \hline \$69{,}500 \end{array}$$

$$\begin{array}{r} 590{,}000 \\ \times \quad .05 \\ \hline 29{,}500 \end{array}$$

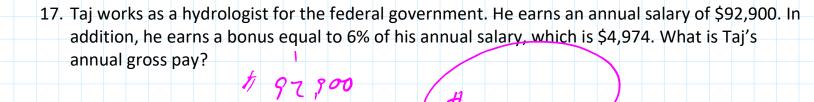14. Janet is an independent contractor for a consulting firm that provides corporate training

services. She bills $1,275 per day for delivering a corporate training workshop. She recently negotiated a contract with the firm to provide 12 days of corporate training workshops for the month of August. What will Janet's income from this contract be?

$$1,275 \times 12 = \$15,300$$

15. David works as a firefighter, receiving an annual salary of $47,730. He also owns stocks that pay a dividend. Last year, David earned $65,175 in total income. What was David's unearned income?

$$65,175 - 47,730 = 17,445$$

$$\boxed{\$17,445}$$

16. Eduardo works as an accountant for a consulting firm. He earns an annual salary of $75,050 and an annual bonus based on the firm's performance. This year, Eduardo will earn a bonus of 3% of his annual salary, which is $2,251.50. What is Eduardo's annual gross pay?

$$75,050 + 2,251.50 = 77,301.50 \qquad \$77,301.50$$

17. Taj works as a hydrologist for the federal government. He earns an annual salary of $92,900. In addition, he earns a bonus equal to 6% of his annual salary, which is $4,974. What is Taj's annual gross pay?

$$\$92,900 + 4,974 = 97,874 \qquad \$97,874$$

18. Lucy is a curator at the local art museum. She earns an annual salary of $68,160. Calculate the amount of her paycheck if she is paid monthly, semimonthly, biweekly, or weekly.

68,160

12	24	26 (2nd)	52
$5,680	$2,840	$2,621.53	$1,310.77

19. Judith works as a court reporter for a county district court. She earns an annual salary of $67,270. Currently, she is paid semimonthly. Her employer is considering paying all employees biweekly. Calculate the amount of money in Judith's semimonthly paycheck. Then, calculate the amount of money that would be in Judith's paycheck if she were paid biweekly.

$67,270

24	26
$2,802.92	$2,587.31

20. Michael has received two job offers. One offer, from Forestry Unlimited, has an annual salary of $48,000. The second offer, from Continental Lumber has a semimonthly pay of $2,225. Which of the two job offers will provide Michael the most pay per month? Explain your answer.

48,000

$2,225
24
_____
53,400   Continental Lumber

21. Michael has a part-time job as a telephone sales agent for an airline. He earns $13.25 per hour. The following table contains the number of hours he worked last week. How much money did Michael earn last week?

Sun	Mon	Tue	Wed	Thurs	Fri	Sat
0	0	5	6	4.5	8	8

15.5 + 16

31.5

$417.38

22. Roberta works in a hospital lab as a medical technician. She works 40 hours per week and earns $640 per week. What is Roberta's hourly wage?

$$\frac{640}{40} = \boxed{\$16}$$

23. Rodrigo works as a billing clerk at the local school district. He earns $13.75 per hour. His earnings for one week are $481.25. How many hours a week does Rodrigo work?

$$\frac{481.25}{13.75} = \boxed{35 \text{ hrs}}$$

24. Isabella works as a cargo inspector for the local port. She earns $20.50 per hour. Last week she worked 50 hours. For any hours over 40 hours per week she works, Isabella earns overtime pay. That pay is 1.5 times her regular hourly wage. What were Isabella's total weekly earnings, including overtime pay for last week?

$$\left(40 \cdot 20.5\right) + \left(10 \cdot 30.75\right)$$

$$50 \longrightarrow \quad 40 \text{ regular} \rightarrow 20.50$$
$$10 \quad OT \quad \rightarrow \$30.75$$

$$820 + 307.50$$
$$\boxed{\$1,127.50}$$

25. Thao works as a manager in a local grocery store. He earns $21.75 per hour, and last week he worked 48 hours. Because the six extra hours he worked were on a holiday, he received double time for those overtime hours. What were Thao's total weekly earnings, including overtime pay for his last week?

$$8$$

$$42 \qquad 43.50 \qquad \frac{21.75}{40} \qquad \frac{43.50}{8}$$

$$42$$
$$\times\ 21.75$$
$$\overline{\ 913.50}$$

$$43.50$$
$$6$$
$$\overline{\ 261}$$

21.75
$$21.75$$
$$21.75$$
$$\overline{\ 43.50}$$

$$913.50$$
$$261$$
$$\overline{\ 1174.50}$$
$$\$1174.50$$

$$21.75$$
$$40$$
$$\overline{\ 870}$$

$$43.50$$
$$8$$
$$\overline{\ 348}$$

$$870$$
$$348$$
$$\overline{\ 1218}$$
$$\$1218$$