

# Chapter Review

1. a) Name three different ways employees can be paid.

e.g., hourly wage, salary, commission

- b) Which payment method allows employees to be paid overtime?

hourly wage

2. Chantelle works 35 h a week at the zoo earning \$15.25/h. Her supervisor's annual salary is \$33 280. What is the difference in their weekly gross incomes?

e.g., Chantelle:  $35 \text{ h} \times \$15.25 = \$533.75$

supervisor:  $\$33\,280 \div 52 = \$640$

$\$640 - \$533.75 = \$106.25$

Chantelle makes \$106.25 less per week than her supervisor.

3. Parma earns 8% straight commission on her monthly sales of beauty products. Last month she sold \$24 558 in merchandise. Lalit works in an office earning a weekly salary of \$525. Who had the higher gross income for the month?

e.g., Parma:  $8\% \times \$24\,558 = \$1964.64$

Lalit: about  $\$525 \times 4 = \$2100$

Lalit had the higher gross income for the month.



4. Rhonda sells peanuts at BC Lions football games. She earns \$30 per game plus 15¢ for each bag she sells. She averages about 350 bags sold per game. How much will she earn over the 8 games she works during the season?

e.g.,  $\$30/\text{game} \times 8 \text{ games} = \$240$

$\$0.15/\text{bag} \times 350 \text{ bags}/\text{game} \times 8 \text{ games} = \$420$

$\$240 + \$420 = \$660$

Rhonda will earn \$660 for the season.

5. Alex works at a variety store earning \$10.30/h. He usually works 40 h per week. Last week he worked an extra 8 h shift and earned time and a half. What was Alex's gross income for the week?

e.g.,  $\$10.30/h \times 40 \text{ h} + \$10.30/h \times 1.5 \times 8 \text{ h} = \$535.60$

Alex's gross income was \$535.60 for the week.

6. Marissa works 40 h a week earning \$12.35/h. Her deductions are shown. Determine her total deductions and her weekly net income.

e.g., gross income:  $40 \text{ h} \times \$12.35/h = \$494$

deductions:  $\$8.54 + \$24.45 + \$74.10 + \$5.20 = \$112.29$

net income:  $\$494 - \$112.29 = \$381.71$

Marissa's total deductions are \$112.29 and her net income is \$381.71.

Deductions	
EI:	\$8.54
CPP:	\$24.45
Income tax:	\$74.10
Union dues:	\$5.20

7. Karl earns an annual salary of \$42 000.

- a) Use the chart to determine each standard deduction.

Income tax:  $\$42\,000 \times 15\% = \$6300$

EI:  $\$42\,000 \times 1.73\% = \$726.60$

CPP:  $\$42\,000 \times 4.95\% = \$2079$

Deduction	Rate
Income tax	15%
EI	1.73%
CPP	4.95%

- b) What is Karl's net weekly income?

e.g.,  $(\$42\,000 - \$6300 - \$726.60 - \$2079) \div 52 = \$632.58$

Karl's net weekly income is \$632.58.

8. Name three other types of deductions that might be on an employee's pay cheque besides the standard government deductions.

e.g., union dues, health plan premiums, charitable donations

9. How are a bonus, a shift premium, and overtime the same? How are they different?

e.g., All are extra amounts an employee can earn above the regular hourly wage or salary. A bonus is based on performance, but shift premium and overtime are based on hours.

A bonus is a percent of the annual salary. Shift premiums and overtime are amounts added to the hourly wage.