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?

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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.
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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?

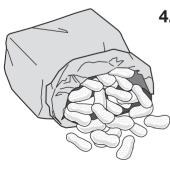
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e.g., Parma: 8% x $24 558 = $1964.64

Lalit: about $525 x 4 = $2100

Lalit had the higher gross income for the month.
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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?

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?

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e.g., $10.30/h \times 40 h + $10.30/h \times 1.5 \times 8 h = $535.60
Alex's gross income was $535.60 for the week.
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6. Marissa works 40 h a week earning \$12.35/h. Her deductions are shown. Determine her total deductions and her weekly net income.

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e.g., gross income: 40 \text{ h} \times \$12.35/\text{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.
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- 7. Karl earns an annual salary of \$42 000.
 - a) Use the chart to determine each standard deduction.

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Income tax: $42 000 x 15% = $6300
EI: $42 000 x 1.73% = $726.60
CPP: $42 000 x 4.95% = $2079
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b) What is Karl's net weekly income?
e.g., (\$42 000 - \$6300 - \$726.60 - \$2079) ÷ 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.

Deductions

Deduction

Income

tax

ΕI

CPP

Rate

15%

1.73%

4.95%

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