

Earning Commission & Piecework

Answer Key

1. Define what it is to have commission earnings.
2. Discuss the implications of working strictly on a commission basis.
3. Would you rather work on a straight commission basis or a salary plus commission basis? Why?
4. How do you calculate commission?
5. What jobs can you think of involve commission and what are their rates of commission?
6. Calculate each value missing from the table.

RATE OF COMMISSION (%)	AMOUNT OF SALES (\$)	COMMISSION (\$)
4	1673.19	
10.5	3621.95	
27		412.19
	4275.00	363.38
18		208.12
	3584.32	1505.41

7. Sammy is a sales clerk in a bicycle shop. He's paid \$6.25/hour for a 37.5 hour week, plus a commission of 6% of his sales for the week. In one week Sammy's sales were \$2319.75.
 - a) Calculate Sammy's total earnings for the week.
 - b) What would Sammy's sales for the week have to be for him to earn \$400 in one week?
8. Step commission on sales is calculated as follows:
 - 8% on the first \$1000
 - 12% on the next \$2000
 - 20% on sales above \$3000

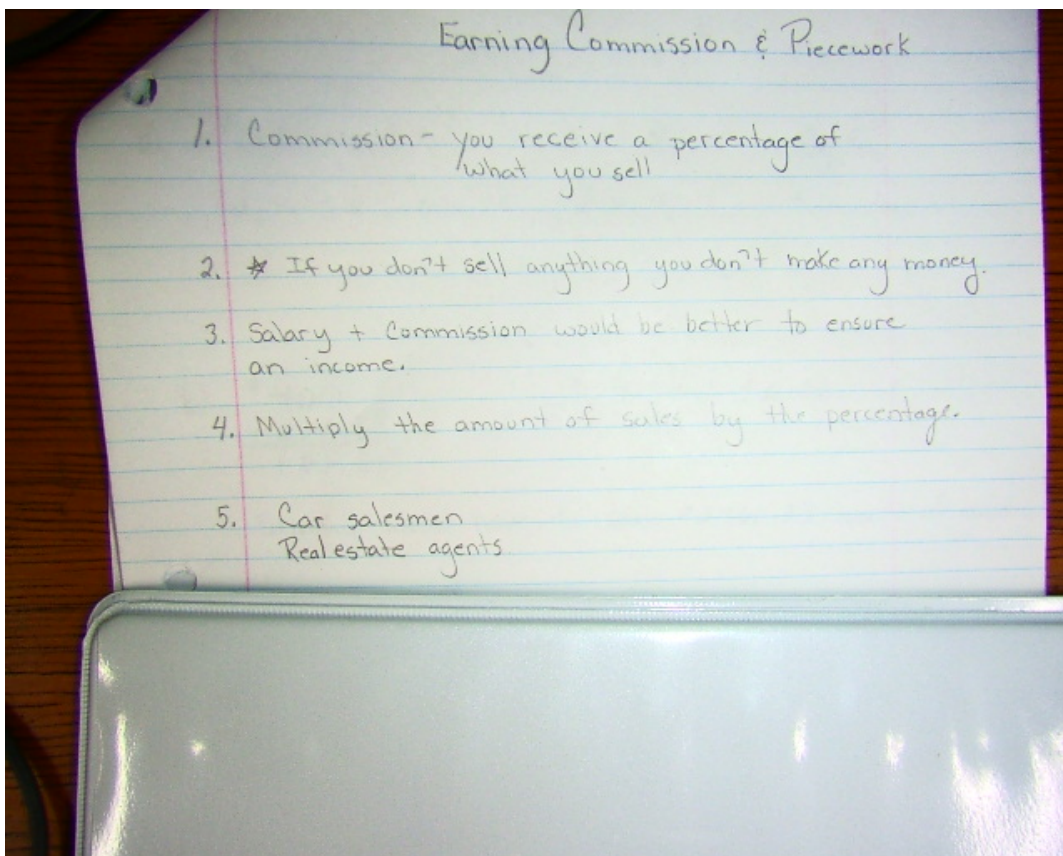
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Calculate the commission if sales are:

\$970.00 b) \$1500.00 c) \$2760.42 d) \$3000.00 e) \$4563.81

9. You are offered two sales positions. One offers \$500 per month plus 3% commission on all sales over \$1000 while the other offers a straight commission of 10%. What amount of sales would you need in one month to earn more selling on straight commission? Which job would you take? Why?
10. Carl sells hotdogs at a sports arena. He makes \$50.00 per game plus 20 cents per hotdog. How much does he earn if he sells 82 hotdogs?
11. Mario earns \$250.00 by selling watches. If he makes \$25.00 per watch how many did he sell?
12. Which person has the higher annual salary: Charles, who earns \$1520 a month, or Carla, who earns \$864 biweekly? Explain
13. Tommy works part time at the New Glasgow stadium. At each of the "Crushers" hockey games he is paid \$12 plus \$¢ for each 50-50 ticket he sells. At last weeks game he sold 321 tickets. What were Tommy's earnings for that game?
14. Blair has a job at Wal-mart assembling bikes. He is able to assemble 7 bikes per day.
a. If he is paid \$8.50 for each bike he assembles, how much would he make per day?
b. If Blair continues to work at the same pace, how much money will he make if he works 6 days a week?
15. Penelope wants to earn \$500.00 this week to buy a new set of golf clubs. She sells sunglasses at the mall, earning \$29.00 per pair. How many pairs does she have to sell to reach her goal?
16. Karen is selling flowers at a local greenhouse. She makes \$50.00 each day, plus \$6.00 for every bouquet sold. If she plans to make \$600.00 over a 5 day period, how many bouquets does she have to sell?



Earning Commission & Piecework

1. Commission - you receive a percentage of what you sell
2. * If you don't sell anything you don't make any money.
3. Salary + Commission would be better to ensure an income.
4. Multiply the amount of sales by the percentage.
5. Car salesmen
Realestate agents

b. Rate of Commission x Sales = Commission

a) $0.04 \times 1673.19 = \$66.93$

b) $0.105 \times 3621.95 = \$380.30$

c) $412.19 \div 0.27 = \$1526.63$

d) $363.38 \div 4275 = 0.085$
9%

e) $208.12 \div 0.18 = \$1156.22$

f) $1505.41 \div 3584.32 = 0.42$
42%

	%	Sales	Commission
a)	4	1673.19	
b)	10.5	3621.95	
c)	27		412.19
d)		4275.00	363.38
e)	18		208.12
f)		3584.32	1505.41

7. Sammy

a) $\$6.25 \times 37.5 = 234.38$ Reg Pay
 $\$2319.75 \times 0.06 = \underline{139.19}$ Commission
 $\$ 373.57$

b) $\$400$ $\$ 165.62 \div 0.06 = 2760.33$
 $\underline{- 234.38}$
 165.62

Sammy would have to sell $\$2760.33$ worth of goods.

8. 8% 1st 1000
12% next 2000
20% more than 3000

a) \$970 (b) 1500

$$\begin{array}{l} 970 \times 0.08 \\ \$77.60 \end{array} \left\{ \begin{array}{l} 1000 \times 0.08 = \$80 \\ 500 \times 0.12 = \underline{60} \\ 140 \text{ Total} \end{array} \right.$$

c) \$2760.42

$$\begin{array}{r} 1000 \times 0.08 = \$ 80.00 \\ 1760.42 \times 0.12 = \underline{211.25} \\ \$ 291.25 \text{ Total} \end{array}$$

d) 3000.00

$$\begin{array}{r} 1000 \times 0.08 = \$ 80 \\ 2000 \times 0.12 = \underline{240} \\ 320 \text{ Total} \end{array}$$

e) 4563.81

$$\begin{array}{r} 1000 \times 0.08 = \$ 80 \\ 2000 \times 0.12 = \underline{240} \\ 1563.81 \times 0.20 = \underline{312.76} \\ 632.76 \end{array}$$

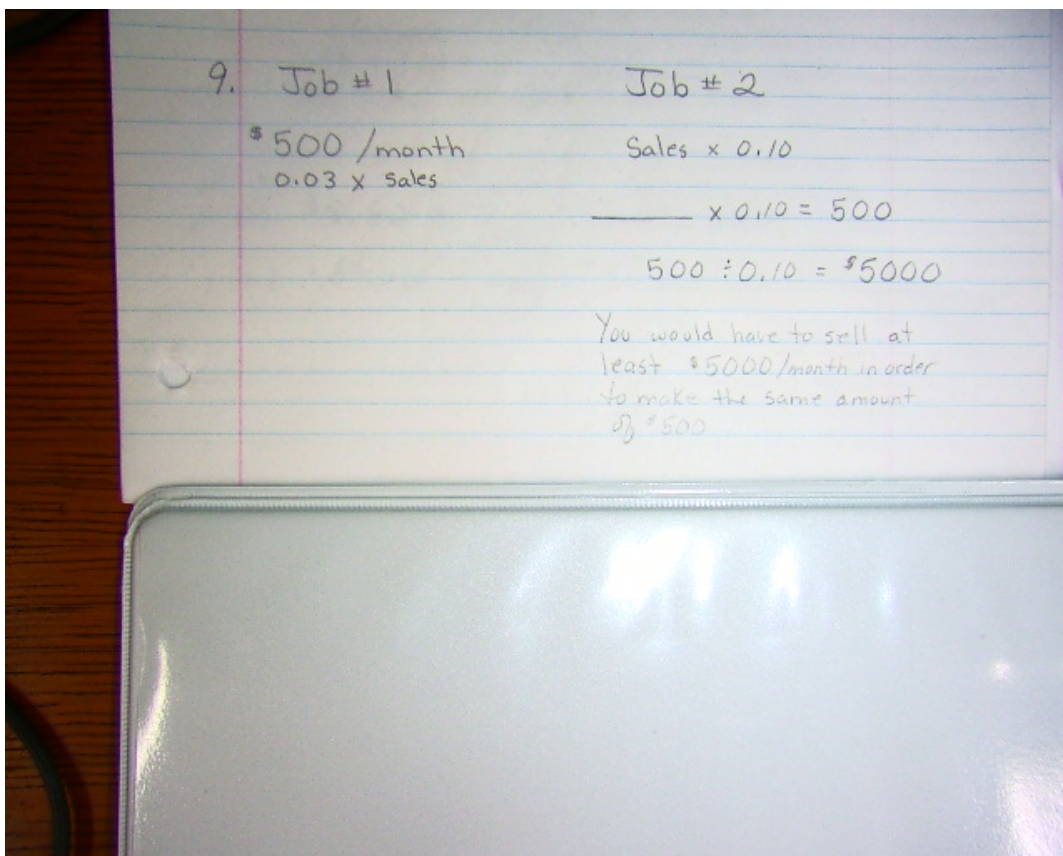
9. Job #1 Job #2

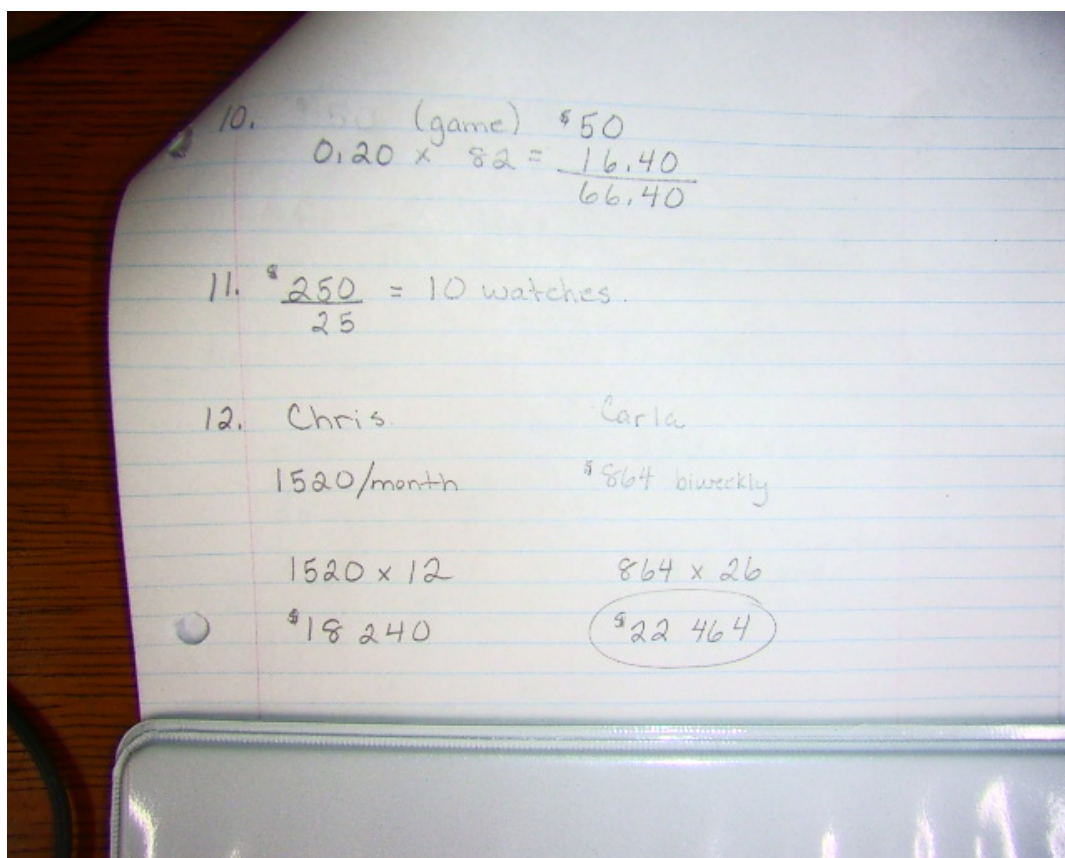
\$ 500 / month Sales x 0.10
0.03 x Sales

_____ x 0.10 = 500

500 ÷ 0.10 = \$5000

You would have to sell at
least \$5000/month in order
to make the same amount
of \$500





13.

$$\begin{array}{r} \text{Game} \quad \$12 \\ 0.05 \times 321 = \underline{16.05} \\ 28.05 \end{array}$$

14.

a) $\$8.50 \times 7_{\text{bikes}} = \59.50

b) $\$59.60 \times 6_{\text{days}} = \357

$$15. \frac{\$500}{29} = 17.24$$

She will have to sell 18 pairs, 17 will not give her the \$500.

$$16. 5 \text{ days} \times \$50 = \$250$$

$$\begin{array}{r} 600 \\ - 250 \text{ (reg. pay)} \\ \hline 350 \end{array}$$

$$\frac{350}{6} = 58.33$$

She will have to make 59 bouquets.