Homework Answers
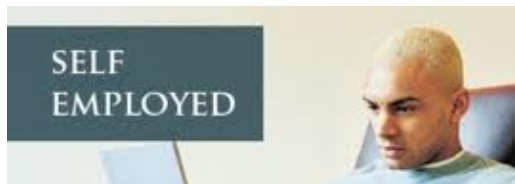
1. a) $947.20/week

    b) $49254.40/year

2. Semi-monthly pays will be larger. Bi-weekly pays will occur more often.

3. $10.28/hr

4. Hourly would only be beneficial if you cut more than 4 lawns per hour and if you can maintain that pace throughout the day.

5. $530/month. Increase by $119.51/month.

6. $30/hr

7. a) $30539.19

    b) $31394.29

    c) $32398.91

8. a) 3hr 2 min = 3.03 hr, do this for each day to get total of 20 hr. ($198.00)

    c) You don't paid for a couple minutes early or staying a couple minutes late so best to start at the specified times.

$$3.4 \% \text{ of } 29\,535.00$$

$$\text{Raise} = 0.034 \times 29\,535.00$$

$$= \$1004.19$$

$$\$30\,539.19$$

$$2.8 \%$$

Alternative Ways to Earn Money

A person who works for him- or herself rather than for an employer

Piecework

When someone is
paid a set rate
for an amount produced

Commission

An amount
(usually a percentage)
paid to someone
for a business transaction

Contract

A legal agreement that outlines term, conditions, and payments for work to be done

NOTE: In a contract, you get the same pay regardless of how many hours it may take to finish the job.

SELF-EMPLOYMENT

Advantages	Disadvantages
• freedom to select appealing jobs	• may not have enough clients
• ability to set own hours	• you may not like self-promotion
• able to take time off when desired	• you may not like bookkeeping
• you're your own boss	• you may find working alone lonely
• you may prefer working alone	• you don't get paid holidays or benefits

PIECEWORK

Advantages	Disadvantages
• can earn more if you work quickly	• will earn less if you don't work quickly
• clear relationship between output and wages	• you may be tempted to take shortcuts
• wages based on your performance	• you may be tempted to ignor safety procedures
	• quantity emphasized over quality

Self Employed

VS

Piecework

EXAMPLE #1:

A car salesman earns 2 % commission on all of his total sales and also receives a base salary of $10/hour. Yesterday, he sold a Nissan Quest for $40 000 and worked 8 hours. What is his gross pay for that one day?

$10/hr × 8hr = $80

2% of 40000
0.02 X 40000
$800.00

Total 800 + 80 = $880.00

EXAMPLE #2:

6 × 8 = 48 hrs

Hien is a painting contractor. He negotiates a contract with a homeowner to paint the exterior siding on a house at a rate of $30.00/h plus the cost of materials. It takes Hien six 8-hour days to prepare and paint the siding, and he uses 15 gallons of paint that cost $45.00 each. What is the total value of the contract?

Regular Pay

$30.00/hr × 48hr = $1440

Material

15g × $45.00 = $675.00

Total contract $2115.00

Gwen works as a sales clerk in a clothing store. She earns a base salary of $10.00/h plus a 15% commission on the price before taxes of each item she sells. Her work day is 8 hours. One day, Gwen sells a suit with a price of $625.00, a sweater priced at $95.00, 3 T-shirts that cost $45.00 each, and a raincoat priced at $225.00. How much does she earn that day?

Wage

$10.00/hr × 8hr = $80.00

Commission.

total price of items:
625
+ 95
+ (45×3)
225
$1080

0.15 × 1080
= $162.00

80 + 162 = $242.00

HOMEWORK…

Check out pages 69 and 70.

Questions 1 to 7

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1. Suggest two benefits self-employed people might enjoy. Suggest two disadvantages of self-employment. On balance, would you prefer to be self-employed? Why or why not?

   Self Employment:

   Adv: Freedom to work whenever

   Dis: You have a lot of stress and

          responsibility

   Piece Work:

   Adv: More you produce the more you earn

   Dis: Time means Money

2. Gilles, an aluminum fabricator in Restigouche, NB, accepts a contract to make an aluminum gate for $500.00.

   a) If the cost of materials and labour to make the gate is $425.00, how much is his profit on this gate? ANS:$75

   b) What is this amount expressed as a percentage of the contract? ANS:15%

   c) If the cost of materials were to increase after the contract was signed, could Gilles adjust the price? Explain your reasoning.

   ANS:If the cost of material increases, Gill could not charge more

   because he signed a contract.

3. Leo is a self-employed plumber. When he started his business, he received help securing a loan and business advice from the Nunatsiavut Business Centre Incorporated. The centre supports Inuit businesses operating in Labrador. One month, Leo's plumbing business had three contracts for $2500.00, $7000.00, and $275.00. The cost of Leo's expenses and materials to complete these contracts was $7200.00.

   a) How much did Leo earn an hour based on a 40-hour work week? ANS:$14.86

   b) Suggest two ways in which Leo could raise his hourly rate to $20.00. ANS: Work faster or charge more

4. Ling works as an assistant to a florist. She can be paid $2.75 for every arrangement or $13.25/h. Ling estimates she could create about five arrangements an hour. Which payment scheme would you recommend and why?

ANS: If she works fast she should go with the 5 arrangements an hour.

5 x $2.75

= $13.75/ hr

5. Marlene is a website designer. In January, she creates a website for a new client, charging $13 000.00. Marlene bids on and obtains a maintenance contract for the balance of the year that will pay her $200.00/ month, beginning in February.

a) How much will the maintenance contract be worth? ANS:$2200

b) How many hours a month do you think would be reasonable to spend on website maintenance, given the contract amount? ANS:4-6 hours

c) How much will Marlene earn this year from this client? ANS:$15 200

6. William is a salesperson at an electrical supply company. He earns a base salary of $24 000.00 a year plus a commission of 12% on electrical supplies such as wire, switches, and fixtures. If William aims to earn a total of $32 000.00 a year, how many dollars' worth of electrical supplies will he need to sell?

ANS:$66 666.67

7. Dorothy, a cabinet installer, earns income on a piecework basis. When she has to return to a customer's home on a service call to make changes or repairs, she is paid by the hour. The service-call rate is $30.00 an hour.

    a) If Dorothy installs 6 upper cabinets at a rate of $15.00 each, 6 lower cabinets at a rate of $15.00 each, and returns twice for service calls that each take 3 hours, how much will she earn in all from this job?
    ANS:$360

    b) Think of two ways that piecework benefits a working person.

    c) What advantages or disadvantages might piecework have for an employer?

Attachments

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