

Curriculum Outcome

- N2** Demonstrate an understanding of income, including: wages, salary, contracts, commission, piecework, and calculating gross pay and net pay.
- N3** Demonstrate an understanding of compound interest.
- N4** Demonstrate an understanding of financial institution services used to access and manage finances.
- N5** Demonstrate an understanding of credit options, including: credit cards, and loans.

Student Friendly:

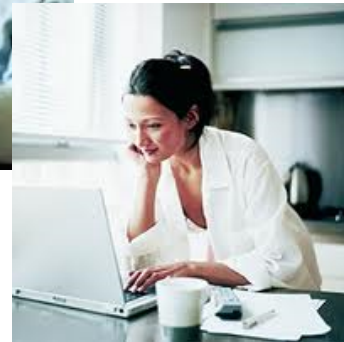
"Different ways to get paid for doing a job. "

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Alternative Ways to Earn Money



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



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Piecework

When someone is paid a set rate for an amount produced





Copy Down Commission

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



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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*

- freedom to select appealing jobs
- ability to set own hours
- able to take time off when desired
- you're your own boss
- you may prefer working alone

Disadvantages

- may not have enough clients
- you may not like self-promotion
- you may not like bookkeeping
- you may find working alone lonely
- you don't get paid holidays or benefits

PIECEWORK*Advantages*

- can earn more if you work quickly
- clear relationship between output and wages
- wages based on your performance

Disadvantages

- will earn less if you don't work quickly
- you may be tempted to take shortcuts
- you may be tempted to ignore safety procedures
- quantity emphasized over quality

Self Employed

VS

Piecework

EXAMPLE #1: DO THIS

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?

$$\begin{aligned} \$40\,000 &\times 0.02 \\ &= 800 \end{aligned}$$

$$\begin{aligned} \$10/\text{hr} &\times 8\text{hr} \\ &80 \end{aligned}$$

$$\text{Total} = \$880$$

EXAMPLE #2: DO THIS

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?

$$\begin{array}{r} 6 \text{ days} \times 8 \text{ hr/day} = 48 \text{ hrs} \\ \times 30 \\ \hline \$ 1440 \end{array}$$

$$15 \text{ gal} \times \$45 = \$675$$



$$\begin{array}{r} \text{Total} = 675 + 1440 \\ = \$2115 \end{array}$$



HOMEWORK...

Check out pages 69 and 70.

Questions 1 to 7

[2.2 Build Your Skills Detailed Solutions.pdf](#)

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