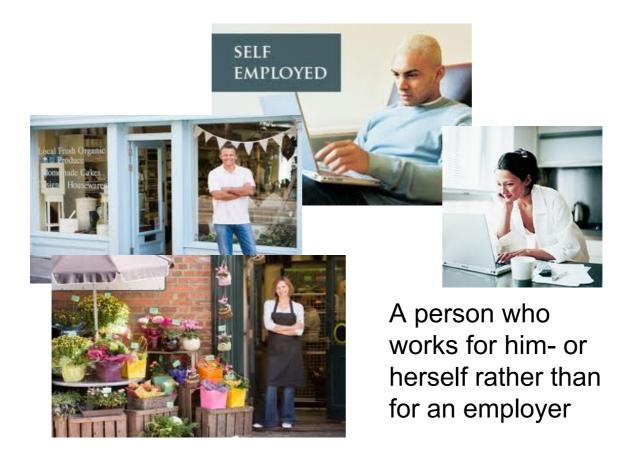
Alternative Ways to Earn Money











Piecework

When someone is paid a set rate for an amount produced

- a piecework plan pays an employee on the basis of the number of articles produced or how much gets done.
- examples of this type of work include...
 - manufacturing items, forestry jobs (commercial thinning, trail cutting), mowing lawns, fishing, delivering flyers, etc...





Commission

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

- an incentive plan where an employee receives a percentage of their total sales.
- examples of occupations include car/furniture/clothing sales people, real estate agents, etc...

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.





MATH ON THE JOB

Henry is a Red Seal carpenter, which means he is certified to work in any province or territory in Canada. He works as a kitchen cabinet installer in and around his hometown of Montague. Prince Edward Island. He is a self-employed journeyman who is paid on a piecework basis by the cabinet companies he works for.

In the piecework system used by one company, each installed cabinet is assigned a point value. For

each installed cabinet is assigned a point value. For example, a standard upper or lower cabinet is worth one point. This includes hanging the cabinet and installing its door and hardware such as hinges and door handles. Larger cabinets are worth two points, for example, tall pantry cabinets. The toe kick for each lower cabinet is worth half one point and as is the accura marking in tabled along the tro of



Henry must keep accurate records of his work to ensure he is paid correctly.

so is the <u>crown moulding</u> installed along the top of the upper cabinets. One point is assigned a dollar value, in this case, \$16.00, and the whole kitchen installation payment is calculated by adding up the number of points and multiplying by the dollar value of a point. If Henry installs a kitchen that contains <u>6 standard upper cabinets</u> with crown moulding, a pantry cabinet with crown

moulding and a toe kick, and 5 standard lower cabinets, each with a toe kick, how much will he be paid for installing that kitchen?

SOLUTION 19.5 points x⁵16.00 = 312 Calculate the points for the standard cabinets.

6 upper + 5 lower = 11 cabinets 11 cabinets \times 1 point = 11 points Calculate the other points 7 crowns + 6 toe kicks = 1313 items \times 0.5 points = 6.5 points pantry = 2 points Calculate the total number of points. 11 + 6.5 + 2 = 19.5Multiply the total points by the dollar value. 19.5 × \$16.00 = \$312.00

Henry will be paid \$312.00.

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

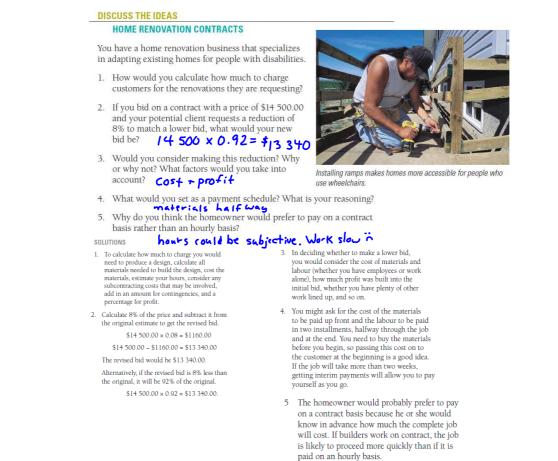
Self Employed VS Piecework

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?

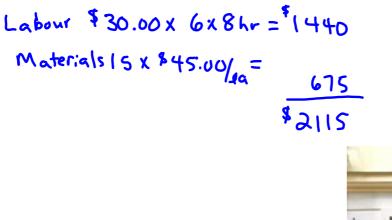
Reg Pay \$10/hr × 8hr = \$60 Commission \$40000 x 0.02 = 800 *****880

2.2 - Alternative Ways to Earn Money



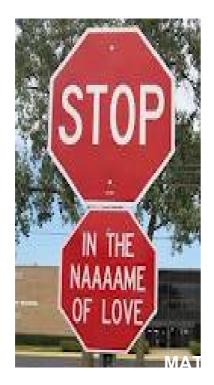
EXAMPLE #2:

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?





2.2 - Alternative Ways to Earn Money



HOMEWORK...

Check out pages 69 and 70.

Questions 1 to 7

2.2 Build Your Skills Detailed Solutions.pdf

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