FMP10 Name: ____________________________
Date: ____________________________

Unit 7: Personal Finance
7.1 Income

Gross Income: amount of money earned before deductions

1) Hourly Wage

1.5

Ex. John earns $16.50 per hour plus time and a half overtime for hours over 40 per week. If he works 42 hours in one week what is his gross pay?

Regular

$40(16.50)$
$= \$660$

Overtime

$2(16.50)(1.5)$
$= \$49.50$

Total Gross $= \boxed{\$709.50}$

2) Salary

Earn a set amount yearly paid out on a predetermined schedule.

Ex. Mary earns $45,000 a year. How much is her gross income if paid out:

a) Monthly

12

$\frac{45000}{12} = \$3750$

b) $\boxed{\text{Semi}}$-monthly

twice per month

24

$\frac{45000}{24} = \$1875$

c) Weekly

52

$\frac{45000}{52} = \$865.38$

d) $\boxed{\text{Bi}}$-weekly

every 2 weeks

$\frac{45000}{26} = \$1730.77$

26

3) Commission

3 types:

a) Straight – all income based on % of your sales
b) Salary & commission – base salary plus % of sales
c) Graduated - % commission increases as sales increase

Ex. Jim, Jane, & James all earn commission. Jim has a straight commission of 5%. Jane earns $300 a week plus 2% commission. James has a graduated commission of 2.5% on sales up to $3500 and then 6% on sales in excess of $3500. If each had $13000 in sales in one week, what is each if their gross incomes for the week?

Jim

5% of $13000

0.05(13000)

$650

Jane

$300 + 2% of 13000

300 + 0.02 (13000)

300 + 260

$560

James

2.5% of 3500

+ 6% of 9500

13000 − 3500

0.025(3500) + 0.06(9500)

87.50 + 570

$657.50

Other type of income?

- Contract - salary
- after retirement - pension
- piecewise

Practice: Personal Finance Duotang pg. 530/ 7 – 24, 26, 28a, 29a