FMP10 Name: ___________________________

Date: ___________________________

Unit 7: Personal Finance
7.1 Income

Gross Income: amount of money earned before deductions

1) Hourly Wage

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?

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

b) Semi-monthly

c) Weekly

d) Bi-weekly

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?

Other type of income?

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