

Name: ANSWERS
Teacher: _____
Class/ Block: _____
Date: _____

Lesson 1: Determining Net Income

1. Aracelli is offered a position as a graphic design artist at Turner Broadcasting that pays \$54,500 annually.

a. What type of income does this offer entail?

b. Given the scenario above, ^{Salary} determine Aracelli's monthly gross income if she accepts the position.

$$54,500 / 12 = \$4,541.66$$

c. If Aracelli was offered to be paid \$34.50 per hour, what would be her annual gross income. Which offer is better?

$$34.50 \times 40 \times 52$$

71,760

hourly is better

2. Jim is offered a full-time position as equipment manager for the football team. He will be paid \$9.50 an hour.

a. What type of income does this offer entail?

b. What would Jim's annual gross income be if he accepted the position?

$$\$19,760$$

c. What would Jim's monthly gross income be if he accepted the position?

$$1,646.67$$

3. Monica is offered a job at the country club selling premier memberships. She will earn 7% of \$50,000 worth of sales per month in club memberships.

a. What type of income does this offer entail? ^{Commission}

b. What is her monthly gross income, if Monica hits her sales goal?

$$\$3,500$$

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c. What is her annual gross income if she reaches her sales goal every month?

\$ 42,000

d. If Monica we offered \$37,000 annually, which income offer is best?

commission

4. David is given a job offer as a software sales representative at Microsoft with the choice between \$58,000 annually OR ~~\$58,000~~ 9% of \$740,000 in projected sales.

a. What type of income is the offer of \$58,000 annually?

salary

b. What type of income is the offer of 9% of \$740,000 in projected sales?

commission

c. Which offer is numerically better?

$$58,000 / 12 = 4,833.33$$

$$740,000 \times 0.09 = 66,600$$

commission

d. What might David want to keep in mind when considering these two different types of income?

sometimes you do not hit your sales goal every month & commission might be less than expected.