

# **GMF LESSON 16**

## **LEARNING TARGET**

**I AM GOING TO LEARN ABOUT OTHER WAYS TO EARN MONEY**

- **SELF EMPLOYMENT**
- **COMMISSION**
- **PIECEWORK**
- **ROYALTIES**
- **CONTRACT**
- **TIPS**

## 2.2: Alternate Ways to Earn Money

*Goal: to understand that there are alternate ways to earn a living, not just an hourly or salary wage.*

Here are a few definitions:

**Self Employed:** a person who works for him- or herself rather than for an employer.

**Piecework:** when someone is paid a set rate for an amount produced.

**Royalty:** a payment for a piece of work that is marketed and sold. The amount is based on the percentage of sales.

**Commission:** an amount, usually a percentage, paid to someone for a business transaction.

**Contract:** a legal agreement that outlines terms, conditions and payments for work to be done.

**Example 1:** Justin earns a commission on all the sales he makes for A+ Computers. If he makes sales totaling \$1450.00 one week and takes home \$170.00, what is his rate of commission? %

$$\frac{170}{1450} = 0.117 \times 100 = 11.7\%$$

## GMF 16 - Additional Ways to EARN mONEY

**Example 2:** Jessica waits tables as a part-time job.

She earns \$8.45/hour plus tips.

She works 3 shifts, each 5 hours long, in one week.

On average, her total sales were \$570.00 per night.

If all her customers left a 13% tip, how much did she earn that week?

$$\begin{aligned} \text{Hrs} &= 3 \times 5 \text{ hrs} = 15 \text{ hrs.} && \times \overset{\text{Regular Gross}}{\$8.45/\text{hr}} = \$126.75 \\ \text{Tips per night} &= 13\% \text{ of } 570 && \swarrow \text{Salary} \\ &= (0.13)(570) \\ &= \$74.10 \text{ Tips per night.} \\ \text{Total Tips} &= 3 \text{ nights} \times \$74.10 = \$222.30 \swarrow \text{Tips week} \end{aligned}$$

$$\begin{aligned} \text{Total Week Gross} &= \text{salary} + \text{tips} \\ &= 126.75 + 222.30 \\ &= \$349.05 \end{aligned}$$

**Example 3:** Aidan is a roofing installer and he is writing a contract for a shingling a client's roof.

Aidan would like to make \$750.00 for the job. Profit

- He estimates **his costs** to include \$350.00 for the shingles and
- \$11.50/hour for 3 workers.
- The job will take approximately 35 hours to complete.

How much should Aidan charge to ensure that he will meet his earnings goal?

$$\begin{array}{r} \text{Salary} \\ \$ \frac{11.50}{\text{hr}} \times 35 \text{ hr} = \$402.50 \\ \hline \phantom{\$} \times 3 \text{ workers} \\ \hline \phantom{\$} 1207.50 \end{array} \quad \text{Labour}$$

$$\begin{aligned} \text{Total Costs} &= \text{materials} + \text{Salary} \\ &= \$350 + 1207.50 \\ &= \boxed{\$1557.50} \end{aligned}$$

$$\begin{aligned} \text{Charge to} \\ \text{Customer} &= \text{Costs} + \text{profit} \\ &= \$1557.50 + 750 \\ &= \$2307.50 \end{aligned}$$

**Example 4:** Joe is paid \$0.13 for each tree he plants. How many trees does he need to plant to make \$1000?

$$0.13 \times \# \text{ trees} = \$1000$$

$$\begin{aligned} \# \text{ trees} &= \frac{1000}{0.13} \\ &= 7692.30 \\ &\hookrightarrow 7693 \text{ trees.} \end{aligned}$$

GMF 16 - Additional Ways to EARN mONEY

**Example 5:** Linda, a hairstylist, earns 45% commission on all services. Linda did 5 sets of highlights for \$125.95 each, and 40 haircuts at \$30.00 each. What can she expect her gross pay to be?

$$\begin{array}{l} \text{Highlights: } 5 \times \$125.95 = \$629.75 \\ \text{Cuts } 40 \times \$30.00 = \$1200.00 \\ \hline \text{Total Sales} \qquad \qquad \qquad 1829.75 \end{array}$$

45% of Sales

$$(0.45)(1829.75) = 823.39$$

↑  
Commission

$$\begin{array}{r} \cancel{+ 1829.75} \\ + 823.39 \\ \hline \cancel{2653.14} \end{array}$$

# Your Turn to Practice

## GMF ASSIGNMENT 16

Math 10 GMF

2.2 Practice – Alternate Ways to Earn Income

GMF 10

1. Armondo is a busboy at Sam's Pizza and is paid \$4.25/h. He also receives 1.8% of the tips collected by all table servers during the week. In one week, Armondo worked for 32 h and \$2856.80 was collected in tips. How much did Armondo earn that week?
2. A real estate agent earns 2.4% on the sale of a house priced at \$89 950. Calculate the amount of the commission.
3. Rick is a salesclerk in a bicycle shop. He's paid \$6.25/h for a 37.5 h week, plus a commission of 6% of his sales for the week. In one week, Rick's sales were \$2319.75. Calculate Rick's total earnings for the week.
4. Claude is a brick layer. He is paid \$9.00 for every full pallet of bricks that he lays in a day. He does not receive payment for any parts of pallets. A single pallet holds 20 bricks. If Claude lays 230 bricks in one day, how much will he earn?
5. Benji earns a commission on all paintings he sells for an art gallery. If he makes sales totaling \$14950.00 one week and takes home \$1070.00, what is his rate of commission?

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2.2 Practice.pdf