Ch 2 Practice Test: Earning an Income

Multiple Choice
Identify the choice that best completes the statement or answers the question.

_C_ 1. Nadia receives an annual salary of $34000.00. What is her average monthly income? $x = \$2833.33$

     a. $680.00   (c.) $2833.33 $\$ \dfrac{34\,000.00}{\text{months} \quad 12} = \dfrac{x}{1}$

     b. $1307.69   d. $708.33

_b_ 2. Jung receives an annual salary of $37000.00. What is his average biweekly income?

                                $x = 1423.08$ └every 2 weeks

     a. $711.54 $\dfrac{37000.00}{26} = \dfrac{x}{1}$ c. $770.83   52 weeks / year

     (b.) $1423.08   d. $740.00 $52 \div 2 = 26$ pay periods

_d_ 3. Katarina earns $14.60/hour for regular hours of work. She is paid time and a half for overtime work. What is her overtime rate of pay?

                                       $\dfrac{\$14.60}{2} = \$7.30$

     a. $9.73   c. $25.55

     b. $18.25   (d.) $21.90 $\$14.60 + \$7.30 = \$21.90$

_d_ 4. Chandra works on the assembly line at a car manufacturing plant. He receives a wage of $19.06/hour for hours worked Monday to Friday. On the weekends he earns time and a half.

     Chandra works Wednesday to Sunday, for 6 hours a day. Calculate his weekly earnings.   hrs = $6 \times 3 = 18$

                  Sat & Sun = 12 hrs   Sat/Sun   Wed/Fri

     a. $857.70   time $\frac{1}{2}$ = time + half   c. $743.34   = 12 × 28.59   = 18 × 19.06

     b. $571.80   time (d.) $686.16   = \$343.08   = \$343.08

     $19.06 \div 2 = 9.53$ $19.06 + 9.53 = 28.59$ $343.08 + 343.08 = 686.16$

_a_ 5. Victor works as an office assistant for a large paper manufacturing company. He earns a salary of $29250.00/year. How much more will he receive per paycheque if he chooses to be paid semi-monthly instead of biweekly?   Semi-monthly

                                                biweekly   1218.75

             12 months × 2 = 24 $52 \div 2 = 26$ − 1125.00

     (a.) $93.75   c. $103.13   93.75

     b. $84.38 $29250 \div 24 = 1218.75$ d. $187.50 $29250 \div 26 = 1125$

_d_ 6. Ricardo earns a commission on all the sales he makes for A+ Computers. If he makes sales totalling $1450.00 one week and takes home $170.00, what is his rate of commission?

                                         $\dfrac{170.00}{1450.00} = 0.117 \times 100 = 11.7\%$

     a. 14%   c. 5.3%

     b. 10.7%   (d.) 11.7%

_b_ 7. Claude is a brick layer. He is paid $9.00 for every <u>full</u> 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?

                                     $230 \div 20 = 11.5$ full pallets

     a. $129.00   c. $9.00

     (b.) $99.00   d $104.00 $11 \times \$9.00 = \$99.00$

_b_ 8. Monica has taken a new job in the Northwest Territories. Her annual salary is $52500.00. She received a travel allowance to help her move from Alberta and visit her family for the holidays. If her allowance is 7% of her salary, how much will she earn that year?

7% of 52500.00
0.07 × 52500 = 3675
52500.00 + 3675.00 = 56175.00

   a. $67410.00   c. $393225.00
   b. $56175.00   d. $3932.25

_b_ 9. Jessica waits tables as a part-time job and earns $9.80/hour. She works 4 shifts of 6 hours each in a week. On average, her total sales were $705.00 per night. If all her customers left a 17% tip, how much did she earn that week?

17% of $705.00
0.17 × 705 = 119.85 tips × 4 = $479.40
4 shifts × 6hr = 24hrs
24 × 9.80 = $235.20

479.40 tips
235.20 wage
714.60

   a. $571.68   c. $857.52
   b. $714.60   d. $893.25

_C_ 10. Krista receives isolation pay for working as a park ranger in Aulavik National Park on Banks Island in the Northwest Territories. If she is on the job for more than 4 weeks at a time, she receives $1000.00/week for each additional week in isolation pay.

If Krista works 3 times in Aulavik for 16 weeks, 2 weeks, and 17 weeks, how much isolation pay will she receive?

16-4 = 12 weeks   17-4 = 13 weeks
12 + 13 = 25
25 weeks × 1000 = 25,000

   a. $23000.00   c. $25000.00
   b. $35000.00   d. $33000.00

_a_ 11. Jason works as a customer service representative for a credit union. At the end of every year, employees receive a performance evaluation. Jason receives a bonus of 2.8% of his salary if he has a satisfactory evaluation. If Jason earns a salary of $44700.00/year, how much will his bonus be, assuming he has a good evaluation?

2.8% of 44700.00
0.028 × 44700 = $1251.60

   a. $1251.60   c. $45951.60
   b. $43448.40   d. $1501.92

_d_ 12. Lysanne works for a shipping company. At the end of every year, employees receive a performance evaluation. Lysanne receives a bonus of 4.1% on her salary if she has a satisfactory evaluation. If Lysanne earns a salary of $38250.00/year, how much will she earn in one year including her bonus, assuming she is given a good evaluation?

4.1% of 38250
0.041 × 38250 = $1568.25
$1568.25 + 38250.00 = 39818.25

   a. $1568.25   c. $36681.75
   b. $47781.90   d. $39818.25

_a_ 13. Bayani has a gross biweekly income of $1100.00. His net biweekly income is $847.35. What percentage of his gross income goes to deductions?

1100.00
- 847.35
252.65

$\frac{252.65}{1100.00} = 0.23$

   a. 23%   c. 77%
   b. 30%   d. 15%

0.23 × 100 = 23%

c 14. If your CPP contribution rate is 4.95% and your salary is $1235.00 every two weeks, how much will be deducted from your paycheque for CPP?

4.95 of 1235
0.0495 × 1235
= $61.13

   a. $611.33   *c.* $61.13
   b. $122.27   d. $6.11

b 15. Ines has a biweekly gross income of $2103.12. Her before-tax deductions include a short-term disability premium of 0.6%, union dues of 2.5%, and a pension deduction of 3.5%. What is her taxable income?

   a. $1867.59   Gross   c. $1899.03
   b. $1964.31   ↓   d. $2003.45
                    Taxable Income

0.6 + 2.5 + 3.5 = 6.6
6.6% of $2103.12   2103.12
0.066 × 2103.12   − 138.81
= $138.81   1964.31

                          ↓
Short Answer   Net

1. Mandeep works as a personal trainer. He charges $38.00 for a 1-hour session and $53.20 for a 90-minute session. Mandeep ran the following personal-training sessions last week. Calculate his earnings for the week.

Day	1-hour sessions	90-minute sessions
Monday	1	2
Tuesday	2	0
Thursday	1	4
Friday	2	2
Saturday	5	2

        11   10

11 × 38 = $418   10 × 53.20 = $532.00

              532
              418
         $950   Mandeep makes $950.00

2. Use Kristahl's time card to calculate how many hours she worked this week.

Time card: Kristahl			
Day	In	Out	Hours
Monday	8:15	6:00	9 45
Tuesday	7:00	4:30	9 30
Wednesday	9:15	3:00	5 45
Thursday	8:45	4:15	7 30
Friday	10:00	6:15	+ 8 15

Total = 40 45 ↖ Remember
         hr min 60 min = 1 hour

3. Georgia's gross pay is $1300.00 every 2 weeks. She pays $42.12 for union dues. What percentage of her pay goes to this deduction?

$$\frac{42.12}{1300.00} = 0.0324 \times 100 = 3.24\%$$

Problem

1. Marie picked 6 litres of strawberries and was paid $36.36.

   unit rate
   a) How much is she paid for each litre of berries she picks?

$$\frac{\$}{litres} \quad \frac{36.36}{6} = \frac{x}{1} \qquad x = \$6.06/litre$$

   b) How much will she make if she picks 10.5 litres of strawberries?

$$\frac{litres}{\$} \quad \frac{10.5}{x} = \frac{6}{36.36} \qquad x = \$63.63$$

OR

$$10.5 \, litres \times \$6.06/litre = \$63.63$$

2. Kamran is offered isolation pay for a 4-week job in northern Saskatchewan. His regular salary is $865.00/week. He can choose one of the following payment methods:
   • one lump sum of $1100.00 after he has completed the job, or
   • payments of 30% of his weekly salary added to each of his 4 paycheques while he is on the job.

   With which payment option will Kamran earn more money?

   30% of $865.00
   0.30 × 865.00 = $259.50

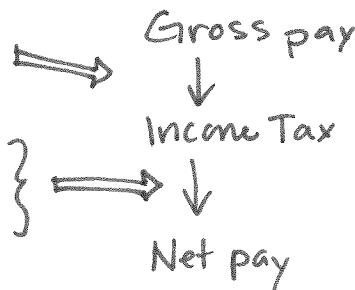   259.50 × 4 = $1038.60
          wks

   Kamran will make more money by being paid in one lump sum.

3. Howard has a net income of $1825.00. He pays the following deductions:

Before-Tax Deductions	
Union Dues	$62.05
Taxes	
Federal	$234.68
Provincial	$87.43
CPP	$113.89
EI	$39.80

   Gross pay
   ↓
   Income Tax
   ↓
   Net pay

   a) What is Howard's taxable income?

   234.68
   87.43
   113.89
   39.80
   475.80

   1825 + 475.80 = $2300.80

   b) What are Howard's federal and provincial tax rates?

   Federal:

   $$\frac{234.68}{2300.80} = 0.102 \times 100 = 10.2\%$$

   Provincial

   $$\frac{87.43}{2300.80} = 0.038 \times 100 = 3.8\%$$

   c) What is Howard's gross income?

   2300.80
   + 62.05
   2362.85

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4. Inaya works 40 hours a week and earns an hourly wage of $13.07. Use the tables below to calculate her net weekly pay. She is assigned claim code 1.

Federal tax deductions
Effective January 1, 2010
Weekly (52 pay periods a year)
Also look up the tax deductions in the provincial table

Pay	Federal claim codes										
	0	1	2	3	4	5	6	7	8	9	10
From – Less Than	Deduct from each pay										
460 - 464	62.15	32.20	29.35	23.60	17.90	12.15	6.45	0.70			
464 - 468	62.70	32.75	29.90	24.15	18.45	12.70	7.00	1.25			
468 - 472	63.25	33.30	30.45	24.75	19.00	13.30	7.55	1.85			
472 - 476	63.80	33.85	31.00	25.30	19.55	13.85	8.10	2.40			
476 - 480	64.40	34.45	31.55	25.85	20.10	14.40	8.70	2.95			
480 - 484	64.95	35.00	32.15	26.40	20.70	14.95	9.25	3.50			
484 - 488	65.50	35.55	32.70	26.95	21.25	15.50	9.80	4.05			
488 - 492	66.05	36.10	33.25	27.55	21.80	16.10	10.35	4.65			
492 - 496	66.60	36.65	33.80	28.10	22.35	16.65	10.90	5.20			
496 - 500	67.20	37.25	34.35	28.65	22.90	17.20	11.50	5.75	0.05		
500 - 504	67.75	37.80	34.95	29.20	23.50	17.75	12.05	6.30	0.60		
504 - 508	68.30	38.35	35.50	29.75	24.05	18.30	12.60	6.85	1.15		
508 - 512	68.85	38.90	36.05	30.35	24.60	18.90	13.15	7.45	1.70		
512 - 516	69.40	39.45	36.60	30.90	25.15	19.45	13.70	8.00	2.25		
516 - 520	70.00	40.05	37.15	31.45	25.70	20.00	14.30	8.55	2.85		
520 - 524	70.55	40.60	37.75	32.00	26.30	20.55	14.85	9.10	3.40		
524 - 528	71.10	41.15	38.30	32.55	26.85	21.10	15.40	9.65	3.95		
528 - 532	71.65	41.70	38.85	33.10	27.40	21.70	15.95	10.25	4.50		
532 - 536	72.20	42.25	39.40	33.70	27.95	22.25	16.50	10.80	5.05		
536 - 540	72.80	42.85	39.95	34.25	28.50	22.80	17.10	11.35	5.65		

Manitoba provincial tax deductions
Effective January 1, 2010
Weekly (52 pay periods a year)
Also look up the tax deductions in the federal table

Pay	Provincial claim codes										
	0	1	2	3	4	5	6	7	8	9	10
From – Less Than	Deduct from each pay										
493 - 501	50.45	33.55	31.80	28.30	24.75	21.25	17.75	14.20	10.70	7.20	3.65
501 - 509	51.25	34.35	32.60	29.10	25.55	22.05	18.55	15.00	11.50	8.00	4.45
509 - 517	52.05	35.15	33.40	29.90	26.40	22.85	19.35	15.85	12.30	8.80	5.30
517 - 525	52.85	36.00	34.20	30.70	27.20	23.65	20.15	16.65	13.10	9.60	6.10
525 - 533	53.70	36.80	35.00	31.50	28.00	24.45	20.95	17.45	13.95	10.40	6.90

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40hrs × $13.07 = $522.80

Gross
↓
Income
Tax
↓
Net

522.80
40.60
36.00
22.55
- 9.04
_____
414.61