KEY
Problem—Calculating Commissions

Problem

Some occupations are paid by hourly wage, some by salary, some by commission, and some by a combination of these. Jim and Joan have both been hired by two different companies. Jim has been hired at an hourly wage of $7.50. Joan has been hired at an hourly wage of $6.50, with a commission of 15% for any sales she makes over her target goal each week.

Use this information to answer the following questions:

1. If both Jim and Joan work 40 hours a week, what is their gross income for one month (assuming four weeks in a month)?
   Jim's gross income: **_$1200.00**_____
   Joan's gross income**:_$1040.00**_____

2. In the first week this month, Joan sold $50 above her target sales. The second week, Joan sold $90 above her target sales. The third week, Joan didn't make any money above her target sale goal. The fourth week, Joan sold $60 above her sale goal.
   What is Joan's commission for this month? What is her gross income for this month?
   Commission**:__$30.00**_____
   Gross income**:_$1070.00**_____

3. How much in total sales above her target would Joan have to sell to equal (within $1) Jim's gross income per month? Show your work and any formulas you created to solve this part of the problem.

Answer: $1066—Process will vary

6.50 (160) + .15x = 7.50(160)
1040 + .15x = 1200
.15x = 160
x = 1066.67

What will you need?
Calculators (if desired)

How will you be evaluated?
Answer key

Created by Jean Clarke, Emery High School, SD, 2005