

Finance Assignment 2: Types of Pay

Additional Earnings

1. Raymond receives isolation pay for working in Wabasca, AB. If his regular pay is \$2245.00/month, and he is offered a bonus of 12% or \$275.00/month, which should he take?

$0.12(\$2245)$

$= \$269.40$

He should take \$275/month

2. Darren works as a logging machine operator. His salary is \$24.80/h. Due to the dangerous nature of his job, he makes 38% more per hour than Sean, who is a forklift operator. How much do Darren and Sean each make in an 8-hour day?

Sean's salary:  $\$24.80/h \div 1.38 = \$17.97/h$

Sean:  $\$17.97/h (8h)$  Darren:  $\$24.80/h \cdot 8h$

$= \$143.76$   $= \$198.40$

3. Regular hours at the computer repair shop where Denise works are 9:00 am to 5:00 pm, Monday to Friday. Her boss has offered a shift premium of \$1.75/hour to anyone who will work after 5:00 pm or on Saturday. Last week, Denise worked the following hours:

Monday: 9:00 am–5:00 pm **0** Tuesday: 2:00 pm–8:00 pm **3/3**

Wednesday: 2:00 pm–7:00 pm **3/2** Thursday: 12:00 pm–8:00 pm **5/3**

Saturday: 9:00 am–3:00 pm **0/6**

If her regular pay was \$15.25/h, how much did she earn last week?

Hours @ regular pay: 19

Hours @ premium: 14

$\$15.25/h (19h) + \$17/h (14h) = \$527.75$

4. Drivers for the Fast Delivery Parcel Company are offered a shift premium if they drive the night shift (after 8:00 pm) to deliver parcels by 9:00 the next morning. Baljeet's schedule last week was as follows:

Monday: 12:00 pm–7:00 pm **7/0** Tuesday: 9:00 am–5:00 pm **8/0**

Wednesday: 6:00 pm–12:00 am **2/4** Thursday: 12:00 pm–8:00 pm **8/0**

Friday: 3:00 pm–9:00 pm **5/1**

His regular pay is \$12.75/h, and the shift premium is \$7.00/h. How much did he make last week?

Hours @ regular: 30

Premium hours: 5

$\$12.75/h (30h) + \$19.75/h (5) = \$481.25$

5. Chen is offered isolation pay of \$1250.00 for a job in northern Manitoba. Alternatively, he can have a bonus payment of 28% of his salary. If his salary is \$532.00/wk, which is the better option if it takes 10 weeks to complete the job?

Isolation pay option

$\$532/wk (10) + \$1250$

$= \$6570$

% Bonus option

$1.28 (532/wk \cdot 10)$

$= \$6809.60$

The Bonus Payment is better.

6. Parminder is working at an isolated weather station in the Yukon. She earns an annual salary of \$45 650.00 plus \$780.00/month for isolation pay. If she works at the station for 8 months of the year, what will her annual income be?

$$\$45\,650.00 + \$780/m(8) = \$51\,890$$

7. Hilda works as a live-in nanny. She earns \$11.25/h plus room and board. If Hilda works over 40 h in one week, her boss gives her a bonus of \$8.50/h for each extra hour. If Hilda works 57.5 h in one week, how much does she earn?

$$\$11.25/m(40m) + \$19.75/m(17.5m) = \$795.63$$

8. Restaurant sales totalled \$40 568.00 one month, and the average tip was 15%.

a) How much would each of the three waiters make in tips if they shared equally?

$$\frac{\$40\,568(0.15)}{3\text{ people}} = \$2028.40$$

b) If they give 25% of their tips to the kitchen staff, how much will each waiter make?

$$\text{keep } 75\% \quad 80 \quad 0.75(2028.40) = \$1521.30$$

9. Franco earns \$17.23/h, time and a half overtime, and a shift bonus of \$2.65 for split shifts. If he worked a total of 43.5 hours, 18 of which were split shifts, how much did he earn if a regular work week was 38.5 hours?

$$\begin{aligned} \text{split: } & 18m (\$17.23 + \$2.65) \\ \text{OT: } & 5m (1.5)(\$17.23) \\ \text{Reg: } & (38.5 - 18)(\$17.23) \end{aligned} \quad \} = \$840.28$$

10. Horace works as a door-to-door salesman in rural Alberta and must use his own car. He is paid \$0.45/km for each kilometre he drives, plus 8% of sales. If he drove 2354 km and sold \$47 854.00 of merchandise, how much would his paycheck be?

$$\begin{aligned} & \$0.45/km(2354km) + 0.08(\$47\,854) \\ & = \$4887.62 \end{aligned}$$

**Answers**

- 1) Since \$275.00/month is more than 12% of his regular pay, he should take that offer.
- 2) Darren: \$198.40; Sean: \$123.04      3) \$527.75      4) \$481.25
- 5) The bonus of 28% of his regular pay is more than \$1250.00, so Chen should take the 28% bonus.
- 6) \$51 890.00      7) \$795.63
- 8) a) Each waiter would receive \$2028.40 in tips for the month.
- b) Each waiter would make \$1521.30.      9) \$840.29      10) \$4887.62