

Calculating Commission

1. Don is a top-selling vehicle salesman. He is paid 7.2% commission on all sales. His sales for last month were \$163 743.24. How much will Don be paid?

$$\begin{aligned} \text{Don needs to be paid } 7.2\% \text{ of } \$163\,743.24. \\ \text{commission} &= \$163\,743.24 \times 7.2\% \\ &= \$163\,743.24 \times 0.072 \\ &= \$11\,789.51 \end{aligned}$$

Don will be paid \$11 789.51.

2. Melissa works at a clothing store. She is paid \$10.00/hour and she receives 4% commission on weekly sales over \$1 000.00. Melissa worked 40 hours last week and sold \$3 275.50 worth of clothing. What was her gross pay?

Step 1: Commission

$$\begin{aligned} \text{commission} &= \text{sales} \times \text{commission rate} \\ &= (\$3275.50 - \$1000.00) \times 4\% \\ &= \$2275.50 \times 0.04 \\ &= \$91.02 \end{aligned}$$

Step 2: Base pay

$$\begin{aligned} \text{gross pay} &= \text{hourly rate} \times \text{number of hours} \\ &= \$10.00/\text{hour} \times 40 \text{ hours} \\ &= \$400.00 \end{aligned}$$

Step 3: Gross pay

$$\begin{aligned} \text{Add together the base pay and commission} \\ &= \$400.00 + \$91.02 \\ &= \$491.02 \end{aligned}$$

Melissa's gross pay for last week was \$491.02.