Key Ideas

- Many jobs in sales pay by commission.
- Commission is usually calculated as a percent of sales. For example, if commission is 20% of sales, for each $1.00 of sales, the salesperson earns $0.20.

Communicate the Ideas

1. Why do you think a company would choose to pay employees by commission?

2. a) What other ways are employees paid, other than by commission?
   b) Describe advantages and disadvantages of each method of payment.

Check Your Understanding

Practise
For help with questions 3 to 5, refer to Example 1.

3. Jake earns 25% commission selling ice cream. How much does he earn for each day's sales?
   a) Friday $100   b) Saturday $180

4. A school earns 35% commission on its book orders. Estimate, then calculate, the commission earned on each month's order.
   a) October $309   b) November $1850

5. To raise funds, members of the drama club sell flower bulbs. They earn 30% commission. Estimate, then calculate how much each person earns for the club.

<table>
<thead>
<tr>
<th>Name</th>
<th>Total Bulb Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Deanna</td>
<td>$125.00</td>
</tr>
<tr>
<td>b) Pierre</td>
<td>$350.00</td>
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</tbody>
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For help with questions 6 to 8, refer to Example 2.

6. Alana earns a 15% commission on bicycle sales. One week she earned $450. What were Alana's total bicycle sales for that week?

7. Yuri earns a 25% commission on sales of magazine subscriptions. One week he earned $220. What were Yuri's total sales for that week?

8. Monique earns a 30% commission on jewellery sales. She wants to earn $600 so she has spending money for her holidays. What amount of jewellery does she need to sell to reach her goal?
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9. Jules earns a 20% commission on fruit sales. One week, his daily sales were as follows:
   Monday $250
   Tuesday $220
   Wednesday $185
   Thursday $208
   Friday $310
   a) What was Jules’s commission for the week?
   b) Find the answer to part a) using a different method. Does your answer check?

10. Manuel starts a job selling computer equipment. He earns 15% commission on all sales.
    a) Find the total amount of Manuel’s commission for the first three weeks.

    | Week | 1  | 2  | 3  |
    |------|----|----|----|
    | Sales| $1230 | $2100 | $2425 |
    b) How much would Manuel need to sell in a week in order to earn $500?

12. Jackie sells beauty products on commission. She is paid a 25% commission on make-up items and 30% on bath products. Last month her make-up orders totalled $420.95 and the bath product orders totalled $325.00. How much did she earn?

13. Donna is paid a 25% commission on catalogue sales. She wants to earn $1200 to buy a computer. So far she has sales totalling $3670. How much more does she need to sell to reach her goal?

14. Brian is offered a job that pays $10/h or 8% commission on sales.
    a) One Saturday he works 8 h and sells $500 worth of merchandise. Which payment option is better for him? Explain why.
    b) Does your answer change if both rates are doubled? Explain.
    c) Does your answer change if Brian sells twice as much in the same time period? Explain.

Extend

15. At last night’s baseball game, Sandeep and Andre both sold hot dogs. Sandeep gets paid a commission of 20% of sales. Andre earns $30 per game plus a 15% commission. Show calculations to support your answers to the following:
    a) Who earned more money if they both sold $500 in hot dogs?
    b) Who earned more money if they both sold $700 in hot dogs?
    c) For which amount of total sales would Sandeep and Andre earn the same amount of money?

Making Connections

You will apply graphing and algebra skills to solve problems of this type in high school.