

Name: Key Class: _____ Date: _____

ID: A

Practice Test - Chapter 1: Earning an Income

Multiple Choice

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

SHOW ALL WORK!!

- _____ 1. Azif's yearly salary is \$65 000. What are his weekly earnings, to two decimal places?
- a. \$5416.67
 - b. \$5000.00
 - c. \$1226.41
 - ☒ d. \$1250.00
- _____ 2. What is the annual salary if Jane's monthly earnings are \$4250?
- ☒ a. \$51 000
 - b. \$221 000
 - c. \$55 250
 - d. \$53 000
- _____ 3. Kim is a graphic designer. This year she earned \$11 500, \$12 275, and \$14 755 from three different contracts. What is her gross income?
- a. \$27 030
 - ☒ b. \$38 530
 - c. \$23 775
 - d. \$26 255
- _____ 4. Calculate.
3% of 800
- a. 2400
 - ☒ b. 24
 - c. 2.4
 - d. 240

- D 5. Terry, Caleb, Nandi, and Josie have different jobs. Their hourly wage and the number of hours they worked last week are shown. Who had the highest gross income for the week?

Worker	Hourly wage	Number of hours worked
Terry, grocery store clerk	\$10.75	35
Caleb, produce loader	\$17.15	16
Nandi, clothing salesperson	\$11.35	22
Josie, deli worker	\$12.55	28

- a. Caleb
- b. Nandi
- c. Josie
- d. Terry

- C 6. Charlie makes solar panels at a plant in Toronto, Ontario. He earns \$20.75/h plus a shift premium of \$2.05 for working weekends. A summary of his hours is shown. What was Charlie's gross income for the week?

Day of the week	Hours worked
Monday	7.5
Tuesday	7.5
Wednesday	7.5
Thursday	7.5
Friday	7.5
Saturday	4.0
Sunday	3.75

- a. \$933.75
- b. \$938.94
- c. \$954.83
- d. \$1089.37

- B 7. Vince earns \$12.75/h delivering pizzas. He works an average of 55 h each week. He usually earns \$200 in tips each week and works 48 weeks in a year. What is Vince's gross annual income?

- a. \$33 860
- b. \$43 260
- c. \$43 460
- d. \$33 660

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D

8. Ron is a registered nurse in Victoria, British Columbia. He earns \$37.85/h and makes time and half for hours worked beyond 40 h each week. Last week Ron worked 48.75 h. How many hours of overtime did he work?

a. 6.75 h
b. 8 h
c. 0.75 h
d. 8.75 h

A

9. Marsha works at a produce packaging plant. A regular workday is 7.5 h. On Monday, she worked from 7:00 AM to 11:30 AM, and 12:00 PM to 4:00 PM. She earns \$15.25/h and time and a half for overtime. What was Marsha's gross income for Monday?

a. \$137.25
b. \$114.87
c. \$129.63
d. \$100.87

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10. Jayson earns \$10.55/h working in a coffee store. If he works more than 45 h in a week, he earns time and a half. What is her gross income for working 48.75 h in a week?

a. \$534.09
b. \$550.25
c. \$525.10
d. \$540.7

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11. Connor works in a sports store earning \$300 a week plus 2.75% commission on his sales. Last week his sales were \$5350.79. What was Connor's gross income for the week?

a. \$447.15
b. \$594.15
c. \$440.15
d. \$147.15

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- D 12. Howard picks apples in the summer at fruit orchard close to his home. He earns \$2.75 for each basket he fills. In one day, Howard picked 48 baskets. What were Howard's gross earnings for the day?
- a. \$129.25
 - b. \$123.75
 - c. \$126.50
 - d. \$132.00
- B 13. Kent mows lawns for his neighbours. Last week, he earned \$315 for mowing 21 lawns. How much was Kent paid for each lawn?
- a. \$17.25
 - b. \$15.00
 - c. \$20.00
 - d. \$12.75
- C 14. What is income tax?
- a. an employee's earnings
 - b. a government fund that provides a monthly pension to workers when they retire
 - c. a portion of an employee's earnings that federal and provincial governments use to provide services
 - d. a fund that provides a source of income to people who lose their jobs (through no fault of their own) while they look for a new job
- A 15. What is employment insurance?
- a. a fund that provides a source of income to people who lose their jobs (through no fault of their own) while they look for a new job
 - b. a government fund that provides a monthly pension to workers when they retire
 - c. a portion of an employee's earnings that federal and provincial governments use to provide services
 - d. an employee's earnings

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- A 16. Jackie's monthly salary is \$3575.00, before deductions. Use the chart to determine her standard deduction for income tax.

Deduction	Rate
Income tax	15%
EI	1.78%
CPP	4.95%

- a. \$536.25
- b. \$5362.50
- c. \$303.80
- d. \$3038.80

Short Answer

17. Olivia is an accountant with an annual salary of \$75 000. She gets a bonus of 2.25% if her firm does well. What is the maximum gross income Olivia can earn?

$$2.25 \div 100 = 0.0225$$

$$75000 \times 0.0225 = 1687.5$$

$$75000 + 1687.5 = \$76687.5$$

18. Tamika is a song writer. She wrote a hit song that receives 0.57% royalties on all sales. Last year, the revenue from her song was \$1 250 755. What were Tamika's royalties?

$$0.57\% \div 100 = 0.0057$$

$$1\,250\,750 \times 0.0057 = \$7129.27$$

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19. Carrie earns \$9.75/h as a waitress working an average of 52 h each week. She usually earns \$125 in tips each week and works 49 weeks each year. What is Carrie's gross annual income?

$$9.75 \times 52 = 507$$

$$507 + 125 = 632 \text{ /wk}$$

$$632 \times 49 = \textcircled{30968}$$

20. Tammy earns \$14.60/h working as a manager in a tea shop. If she works more than 40 h in a week, she earns time and a half. What is her gross income for working 47.75 h in a week?

Regular

$$40 \times 14.60 = 584$$

OT

$$7.75 \times 14.60 \times 1.5 = 169.73$$

Total

$$\begin{array}{r} 47.75 \\ - 40 \\ \hline 7.75 \text{ OT} \end{array}$$

21. Monica earns 3% commission on her monthly sales. Last month she sold \$32 769 of merchandise. What was Monica's commission?

$$3\% \div 100 = 0.03$$

$$32769 \times 0.03 = \textcircled{\$983.07}$$

22. Gary's monthly salary is \$689.32, before deductions. Use the deduction tables to determine his total standard deductions.

$$\text{monthly} = 689.32$$

$$\text{weekly} = 689.32 \div 4 = 172.33$$

oops. too low for deductions

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23. Hanna's gross income for the month is \$1287. Use the deduction tables to calculate her net annual income.

$$1287 \div 4 = 321.75$$

oops. too low
for deductions.

24. Conrad earns \$16.75/h and is paid double time for each hour worked over 40 h. Last week he worked 46 h. Calculate the gross income for the week.

Reg

$$16.75 \times 40 = 670$$

Or

$$16.75 \times 6 \times 1.5 = 67$$

Total

$$670 + 67 = \textcircled{\$737}$$

