Unit 3 – Finance
3.2 – Commissions

A. **Overview**
  - Some salespeople earn a salary or a wage at their work PLUS a ***commission*** on what they sell.
  - A commission is **a percent of the cost of goods sold.**
  - Use the following proportion to determine how much commission is earned:

$$\frac{\text{Percent Commission}}{100} = \frac{\text{Commission \$}}{\text{Total Sales}}$$

  - Commission is similar to a **MARKUP.**
  - Some salespeople work for commission only because they can make large sales, e.g. _____

B. **Examples**

  1. How much commission ($) would you earn if you were paid a commission of 8% on sales of $2200?

  2. Lyndsay earns a 4% commission for selling computers. One weekend she sold two computers for $2200 each and three computers for $2600 each.
     a) What were Lyndsay's total sales?   b) What was Lyndsay's commission?

3. Carlos sells sports clothes. He earns $9 per hour plus 2% commission on all sales. Carlos sells $850 worth of merchandise in 7 hours.

   a) How much does Carlos earn in salary?

   b) What is Carlos' commission?

   c) What is Carlos' total earnings?

4. Suppose you earn a commission of $120 on sales of $800. What is your rate of commission?

Assignment – Show all work on a separate sheet of paper!

$$\frac{\text{Percent Commission}}{100} = \frac{\text{Commission \$}}{\text{Total Sales}}$$

1. Alex is paid a straight commission of 7% on all his sales. How much would he make on sales of $3840?

2. Johann gets paid $10 per hour with a commission of 2.5% on all sales. Suppose he worked 35 hours last week and sold $8000 of merchandise.
   a) What was his earnings from his salary?
   b) What was his earnings from his commission?
   c) What was his total earnings for the week?

3. Susan received $438 in commissions on a commission rate of 3%. What was the amount of her total sales?

4. If you received $175.50 in commissions on sales of $2250, what was your percentage rate of commission?

5. Natalie received $6750 in commissions selling a house for $225 000. What was her commission rate?

6. A tire salesperson receives a 12% commission rate on sales. If her total sales for one month is $16 000, what is her commission?

7. Michelle gets 9% on all appliances she sells. What was the price of the refrigerator she sold if her commission was $94.50?

8. Dale works at a furniture store where she earns a graduated commission. She earns 9% commission on the first $10 000 worth of furniture she sells and 12% commission on all sales exceeding $10 000. Dale sold $21 675 worth of furniture last month.
   a) How much commission did Dale earn on the first $10 000 of sales?
   b) How much did Dale sell beyond $10 000?
   c) How much commission did Dale earn on her sales beyond $10 000?
   d) What was Dale's total commission for the month?