Na	me:

Unit 3 – Finance 3.6 – 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:

Percent Commission	_ Commission \$
100	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!

Percent Commission	Commission \$
100	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?
- 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?