

Chapter 4 Test

Multiple Choice

For #1 to #5, select the best answer.

1. Which statement is correct?
 - A Gross pay = hourly wage \times 1.5
 - B Gross pay = hourly wage \times hours worked
 - C Gross pay = net pay – deductions
 - D Gross pay = net pay + vacation pay
2. Which of the following earns the highest monthly gross pay?
 - A 10% commission on sales of \$24 995
 - B 160 h worked at \$21.50/h
 - C 160 h worked at \$14.00/h, plus 5 h at time-and-a-half
 - D \$25 000 annual salary
3. What payment method gives the most consistent amount over time?
 - A Commission plus base pay
 - B Hourly wage plus overtime
 - C Annual salary plus benefits
 - D Hourly wage plus tips
4. Anne-Marie earns \$8.50/h, plus time-and-a-half for overtime hours over 40 h/week. She works 48 h this week. What is her gross weekly pay?
 - A \$442.00
 - B \$601.56
 - C \$651.50
 - D \$876.56
5. Andrew, a journeyman carpenter, has just taken over as manager of a construction company. His first pay stub for the month gives the following information:
 - gross pay: \$7807.20
 - total income tax: \$1473.60
 - CPP deduction: \$239.73
 - EI deduction: \$58.51
 - health insurance: \$225.80What is his net pay?
 - A \$2704.73
 - B \$5622.71
 - C \$5809.56
 - D \$7807.20
6. Jack works in a warehouse. He is paid \$9.50/h. He is paid time-and-a-half if he works more than 40 hours in 1 week. Jack worked 45 hours this week. What is his gross pay?
7. Emily's weekly gross pay is \$965.90. Her weekly deductions are \$205.45.
 - a) What is her net weekly pay?
 - b) What is her net monthly pay? Assume a 4-week month.
8. Eric sold \$15 550 worth of merchandise this week. He receives a commission of 8% on his sales. What is his gross weekly pay for this week?



Name: _____

Date: _____

BLM 4-9

(continued)

9. Use the following pay stub to answer the questions below.

Earnings	Rate	Hours	Current
Regular	\$18.00	40	
Overtime	\$27.00	16	
Gross Pay			A
Deductions			
Income Tax		B	
CPP		C	
EI		D	
Union Dues			\$65.00
Total Deductions		E	
Net Pay		F	

- Calculate the gross pay **A**.
- Use an income tax rate of 22.7%. Calculate the income tax **B**.
- Use a CPP rate of 4.95% and an EI rate of 1.73%. Calculate the CPP and EI deductions **C** and **D**.
- Calculate the net pay **F**.

10. A salesperson sells almost \$200 000 worth of equipment per month on average. Which would pay the most in a year: 2% commission, or \$45 000 annual salary? Why might a salesperson prefer salary over commission?

