

Chapter 1 – Gross Income

I-Summary

This chapter helped you learn about income. When you work, your gross income—meaning the total amount you get paid—might be determined in one of four possible ways.

1. You might receive straight-time pay, plus overtime.
2. You might be paid on a piecework basis.
3. You might be paid a fixed salary.
4. You might be paid on either a straight commission or on a graduated commission.

I-Quiz

1. The formula “hourly rate times the number of hours worked” is used to calculate which type of pay?
 - A. straight-time pay
 - B. piecework
 - C. commission
2. When you record the number of hours you work, if you don’t work an entire hour, you should round to the nearest:
 - A. half hour
 - B. quarter hour
 - C. minute
3. The formula “rate per item times the number of items produced” is used to calculate which type of pay?
 - A. commission
 - B. piecework
 - C. salary
4. If you work for a company that pays you a regular salary on a *biweekly* basis, it means that you receive a paycheck how many times per year?
 - A. 52
 - B. 24
 - C. 26
5. If you are paid a certain amount of money for every sale you make or a percent of the total value of your sales, which type of pay are you receiving?
 - A. commission
 - B. straight-time pay
 - C. piecework

Answer Key

- 1. A**
- 2. B**
- 3. B**
- 4. C**
- 5. A**