Graduated Commission

Vocab:

Graduated Commission - you earn money based on what you sell, but this is a tiered system to encourage sales

0 – $2000	5%
$2000 – $10000	10%
above $10000	15%

Total Graduated Commission = Sum of Commissions for All Levels of Sales

LESSON 1.7

EXAMPLE 1

Irene Gomaz sells appliances at Twin City Sales. She receives a graduated commission as shown. Irene's sales for the past month totaled $9,840. What was her commission for the month?

Commission Percent	Level of Sales	
4%	First $1,000	0 – 1000
6	Next 2,000	1000 - 3000
8	Over 3,000	3000+

$0.04(1000) + 0.06(2000) + 0.08(9840-3000)$

$40 + 120 + 0.08(6840)$

$40 + 120 + 547.20$

$\$707.20$

LESSON 1.7

Complete the problems. Check your answers in the back of the book.

1. Sal Espinosa makes a 10% commission on the first $5,000 of sales and 15% on any sales over $5,000. Find his total graduated commission on $15,000 in sales.

10%	$0 – $5000
15%	over $5000

$0.10(5000) + 0.15(15000 - 5000)$

$500 + 1500$

$2000

LESSON 1.7

Complete the problems. Check your answers in the back of the book.

2. Jenitha Forrest makes a 5% commission on the first $2,000 of sales she makes and 8% on any sales over $2,000. Find her total graduated commission on $7,740 in sales.

5%	$0 - $2000
8%	over $2000

$0.05(2000) + 0.08(5740)$

$100 + $459.20

$559.20

LESSON 1.7

Complete the problems. Check your answers in the back of the book.

3. Dabney Washington is paid a weekly commission of 3.5% on sales of $7,500 or less and 5.5% on sales in excess of $7,500. Last week Dabney's commission was $822.40. What was the total of her sales for the week?

3.5% of 7500
0.035(7500)
$262.50
−262.50

3.5% | less $7500
5.5% | over $7500

$0.055(x-7500)=822.40$
-262.50

$0.055(x-7500)=559.90$
$0.055x-412.50=559.90$
$+412.50 \quad +412.50$
$\frac{0.055x}{0.055}=\frac{972.40}{0.055}$
$x=\$17{,}680$

LESSON 1.7

Complete the problems. Check your answers in the back of the book.

4. Nate Belloir earns a weekly commission of 2.5% on sales of $75,000 or less and 3.0% on sales in excess of $75,000. One week Nate's commission was $2,135. What was the total of his sales for that week?

$0.025(75000)$

2.5% less 75000
3.0% over 75000

$1875 + 0.03(x - 75000) = 2135$

$1875 + 0.03x - 2250 = 2135$

$0.03x - 375 = 2135$

$+375 \quad +375$

$\frac{0.03x}{0.03} = \frac{2510}{0.03}$

$x = 83666.67$