Salaries & Bonus (Acc)

① Tara is a sales representative for a make-up company. She is paid \$5.15 per hour each week plus a commission of 10% of the amount of sales over \$5000. She works 40 hrs. one week, and she sells \$7260 worth of make-up during that week. She has been offered a job from another make-up company that pays \$5.00 per hour for a 40-hour week plus a commission of 4% of total sales. Which job would pay more? Should she change jobs?

1st job: $5.15(40) + 10\% \text{ of } (7260-5000)$

$5.15(40) + .10 \text{ of } 2260$

$206 + .10(2260)$

$206 + 226 = \$432$

2nd job: $5(40) + 4\%(7260)$

$200 + .04(7260)$

$200 + 290.4 = \$490.40$

2nd Job pays more. She should change jobs if all other things are equal and she wants to make more money.