

### Wages and Salaries

- **Income:** money earned
- **Salary:** fixed **yearly** amount of money earned
- **Wage:** money earned, calculated on **hours** worked
- **Gross:** total wage without deductions
- **Net:** Amount remaining after deductions
- **Simple Interest = PRN** (P: principal, initial amount, R: rate, N: number of years)
- **Net income** = gross income – total deduction
- For **salary** calculations: 1 year = **52.18** weeks
- For **wage** calculations: 1 year = **52** weeks

### Overtime Pay

- Types of overtime pay:
  - Time and a half – 1.5 x normal hourly
  - Double time – 2 x normal hourly

### Other Forms of Income

- **Piecework:** paid according to the **number of pieces** completed
- **Commission:** paid according to **how much they sell** (a percentage of sales)
- **Casual work:** person works on a **needs** basis – no set wage

### Bonuses

- **Bonus:** extra amount of money paid to employees who produce work of high quality
- **Incentive:** another type of bonus, given to employees to encourage an increase in effort
- **Allowance:** amount of money paid to meet expenses (e.g. travel expenses)
- **Annual Leave/Holiday Loading:** extra pay given during holidays, usually 17.5% of wage

### Budgeting

- Budgeting involves placing items onto a table in the following way:
- It includes the person's income (earnings) on the left, and the person's expenses on the right. Totals should be the same.

Income		Expenses	
Earnings	\$655	Rent	\$180
		Groceries	\$70
		Entertainment	\$80
		Savings	
<b>Total</b>	<b>\$655</b>		

### Best Buys

- To find a best buy, you will either compare:
  - The amounts of product per dollar for a range of items
  - The costs per unit (or for one) for a range of items