Name _____   Date _____

Gratuities and Commissions, Fees, and Tax - Guided Lesson Explanation

Explanation#1

The basic salary was $1,500.

$3,000 - $1,500 = $1,500 or the amount needed to be earned as commission.

10% of what amount will equal $1,500?

Because 100% is 10 times 10%, the commission amount would be 10 times $1,500, or $15,000.

Explanation#2

The tip = 0.10 x $65.50 = $6.55

The amount paid = $65.50 + tip + tax

The tax = 0.06 x $65.50 = $3.93

The amount paid = $65.50 + $6.55 + $3.93

The total amount will be $65.50 + $10.48 = $75.98

Explanation#3

$11.12 represents 100% of the cost of the shoes + 4% of the cost of the shoes. This representation can be expressed as $1.04c = 11.12$, where c represents the cost of the earrings.

Solving for c gives $10.69 for the cost of the earrings.