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Finance TEST

1. Determine the following with 1 calculation:

a) 20% of \$5 000

$$0.2 \times 5000 = \$1000$$

b) 3% of \$227

$$0.03 \times 227 = \$6.81$$

c) Increase \$700 by 15%

$$1.15 \times 700 = \$805$$

d) Decrease \$350 by 2%

$$0.98 \times 350 = \$343$$

2. Tim has a base salary of \$1000 bi-weekly and earns 3% of his sales. Last year, his sales were \$200 000 for the year. Determine his annual gross income.

$$1000 \times 26 + 0.03 \times 200\,000 = \$32\,000$$

3. Ben has a weekly income of \$500. Determine his EI and CPP contribution for each paycheck.

Annual gross income: $500 \times 52 = \$26\,000$

EI: $26000 \times 0.0162 = \$421.20 \rightarrow \boxed{\$8.10 / \text{paycheck}}$

CPP: $(26000 - 3500) \times 0.051 = \$1147.50 \rightarrow \boxed{\$22.07 / \text{paycheck}}$

4. Kailah has a \$4500 monthly salary. She pays \$30 union fees and \$125 for her additional pension plan each paycheck. Determine her taxable income without exemptions.

Annual gross income: $4500 \times 12 = \$54\,000$

EI: $\$860.22$ (max)

CPP: $(54000 - 3500) \times 0.051 = \2575.50

Deductions before taxes: $(30 + 125) \times 12 = \$1860$

Taxable income without exemptions:

$$54000 - 860.22 - 2575.50 - 1860 = \boxed{\$48\,704.28}$$

5. Tai is paid \$55/hour up to 35 hours a week. If he works overtime, he gets paid 1.5 times this amount. Last year, he worked on average 38 hours a week. Determine his federal taxes for the year.

$$\text{Annual gross income: } 35 \times 55 \times 52 + 1.5 \times 3 \times 55 \times 52 = \$112,970$$

$$\text{EI: } \$860.22 \text{ (max)} \quad \text{CPP: } \$2,748.90 \text{ (max)}$$

Federal taxable income:

$$112,970 - 860.22 - 2,748.90 - 11,635 = \boxed{\$97,725.88}$$

$$\text{Taxes: } 47,630 \times 0.15 + 47,629 \times 0.205 + 2,466.88 \times 0.26 = \boxed{\$17,549.83}$$

6. Julian has a \$3000 semi-monthly income. He pays \$20 union fees and \$65 for his supplementary pension plan each paycheck. Determine his net income.

$$\text{Annual gross income: } 3000 \times 24 = \$72,000$$

$$\text{EI: } \$860.22 \quad \text{CPP: } \$2,748.90$$

$$\text{Deductions: } (20 + 65) \times 24 = \$2,040$$

Taxable income without exemptions:

$$72,000 - 860.22 - 2,748.90 - 2,040 = \$66,350.88$$

$$\text{Federal taxable income: } \$54,715.88 \quad (66,350.88 - 11,635)$$

$$\text{Federal taxes: } 47,630 \times 0.15 + 7,085.88 \times 0.205 = \$8,597.11$$

$$\text{Territorial taxable income: } 66,350.88 - 10,207 = \$56,143.88$$

$$\text{Territorial taxes: } 47,630 \times 0.064 + 8,513.88 \times 0.09 = \$3,814.57$$

$$\text{Net Income: } 72,000 - 860.22 - 2,748.90 - 2,040 - 8,597.11 - 3,814.57 = \boxed{\$53,939.20}$$