Name: ________________________ Class: ___________________ Date: __________ ID: A

## Salary Adjustments

**Multiple Choice**
*Identify the choice that best completes the statement or answers the question.*

____ 1. Sometimes a business will offer a cost-of-living adjustment as a raise to help keep up with inflation. A merit increase is a raise based on the quality of an employee.

New Salary = Present Salary + Cost-of-Living Adjustment + Merit Increase

| Job Title | Present Salary | Cost-of-Living Increase | Merit Increase | New Salary |
|---|---|---|---|---|
| Clerk | $27,021 | $729.57 | $2,891.25 | $31,955.35 |
| Manager | 38,406 | 1,036.96 | 4,071.04 | 43,514.00 |
| Programmer | 39,644 | 1,070.39 | 4,241.91 | 44,956.30 |
| Accountant | 39,819 | 1,075.11 | 4,300.45 | 45,194.56 |

For which job title above is the new salary miscalculated?

a. Manager
b. Clerk
c. Accountant
d. Programmer

____ 2. Sometimes a business will offer a cost-of-living adjustment as a raise to help keep up with inflation. A merit increase is a raise based on the quality of an employee.

New Salary = Present Salary + Cost-of-Living Adjustment + Merit Increase

$$\%\_of\_Cost\_of\_Living = \frac{Cost-of-Living\_Increase}{\text{Pr}esent\_Salary}$$

| Job Title | Present Salary | Cost-of-Living Increase | Merit Increase | New Salary |
|---|---|---|---|---|
| Clerk | $25,091 | $903.28 | $2,910.56 | $28,904.84 |
| Manager | 39,089 | 1,407.20 | 3,908.90 | 44,405.10 |
| Programmer | 35,366 | 1,273.18 | 4,243.92 | 40,883.10 |
| Accountant | 45,812 | 1,649.23 | 5,360.00 | 52,821.23 |

What is the percentage for the cost of living increase of the manager?

a. 2.3%
b. 3.6%
c. 5.9%
d. 3.8%

____ 3. Sometimes a business will offer a cost-of-living adjustment as a raise to help keep up with inflation. A merit increase is a raise based on the quality of an employee.

New Salary = Present Salary + Cost-of-Living Adjustment + Merit Increase

| Job Title | Present Salary | Cost-of-Living Increase | Merit Increase | New Salary |
|---|---|---|---|---|
| Clerk | $26,181 | | $2,984.63 | $29,898.70 |
| Manager | 39,392 | | 3,545.28 | 44,040.26 |
| Programmer | 31,258 | | 2,875.74 | 35,008.96 |
| Accountant | 48,789 | | 4,439.80 | 54,594.89 |

For which job title is the cost-of-living increase $1,102.98?

a. Clerk
b. Accountant
c. Programmer
d. Manager

____ 4. Sometimes a business will offer a cost-of-living adjustment as a raise to help keep up with inflation. A merit increase is a raise based on the quality of an employee.

New Salary = Present Salary + Cost-of-Living Adjustment + Merit Increase

| Job Title | Present Salary | Cost-of-Living Increase | Merit Increase | New Salary |
|---|---|---|---|---|
| Clerk | $23,504 | | $2,373.90 | $26,418.49 |
| Manager | 34,478 | $792.99 | | 39,063.57 |
| Programmer | 31,196 | | 3,275.58 | 35,189.09 |
| Accountant | 35,763 | 822.55 | | 40,197.61 |

For which job title is missing the amount of $717.51 in the table above?

a. Accountant
b. Clerk
c. Manager
d. Programmer

Name: ______________________ **ID: A**

**Numeric Response**

5. Sometimes a business will offer a cost-of-living adjustment as a raise to help keep up with inflation. A merit increase is a raise based on the quality of an employee.

   New Salary = Present Salary + Cost-of-Living Adjustment + Merit Increase

   Jose Waldon is an analyst at America Online. His present salary is \$50,790. Next month he will receive a 3.9 percent cost-of-living increase and a 4.6 percent merit increase based on the present salary. What will be Jose's new salary? Express your answer as a dollar amount to the nearest cent.

6. Sometimes a business will offer a cost-of-living adjustment as a raise to help keep up with inflation. A merit increase is a raise based on the quality of an employee.

   New Salary = Present Salary + Cost-of-Living Adjustment + Merit Increase

   Emma Benefield is a clerk at America Online. Her present salary is \$54,382. Next month she will receive a 2.9 percent cost-of-living increase and a 4.7 percent merit increase based on the present salary. What will be Emma's new salary? Express your answer as a dollar amount to the nearest cent.

7. Sometimes a business will offer a cost-of-living adjustment as a raise to help keep up with inflation. A merit increase is a raise based on the quality of an employee.

   New Salary = Present Salary + Cost-of-Living Adjustment + Merit Increase

   Emma Waldon is a credit manager at America Online. Her present salary is \$39,382. Next month she will receive a 1.5 percent cost-of-living increase and a 4.2 percent merit increase based on the present salary. What will be Emma's new salary? Express your answer as a dollar amount to the nearest cent.

8. Sometimes a business will offer a cost-of-living adjustment as a raise to help keep up with inflation. A merit increase is a raise based on the quality of an employee.

New Salary = Present Salary + Cost-of-Living Adjustment + Merit Increase

Emma McGreggor is an accountant at America Online. Her present salary is $45,708. Next month she will receive a 3.3 percent cost-of-living increase and a 4.7 percent merit increase based on the present salary. What will be Emma’s new salary? Express your answer as a dollar amount to the nearest cent.

# Salary Adjustments
## Answer Section

### MULTIPLE CHOICE

1. ANS: B PTS: 1
2. ANS: B PTS: 1
3. ANS: D PTS: 1
4. ANS: D PTS: 1

### NUMERIC RESPONSE

5. ANS: 55,107.15

   PTS: 1
6. ANS: 58,515.03

   PTS: 1
7. ANS: 41,626.77

   PTS: 1
8. ANS: 49,364.64

   PTS: 1