

## ***Integrated Project 1***

**Directions** Read through the entire project before you begin doing any work.

**Introduction** The Pro-Med Company builds custom-made equipment for research labs. Pro-Med's owner employs 11 workers to operate the company. Four employees build equipment to exact customer specifications. These employees are paid on a piece-rate basis. They work as a group and their pay is based on the total number of units built by the group in a week. They are paid a different rate per piece because their skills differ. Another three employees who are paid on an hourly basis test the custom-made equipment, repair equipment for customers, keep track of supplies, update production records, and ship equipment to customers.

Pro-Med's manager and an administrative assistant are paid a salary. The company also employs a sales representative who is paid a salary and commission. A temporary help agency provides an accountant for one and one-half days per week on a per diem basis.

The Pay Codes chart shown below lists pay codes and rates. The workers who are paid by hours worked or units produced receive pay that corresponds to their pay code. For example, a worker with a "C" pay code earns \$17.90 an hour.

<b>PRO-MED COMPANY, PAY CODES</b>			
<b>Hourly Rate Employees</b>		<b>Piece Rate Employees</b>	
<b>Pay Code</b>	<b>Hourly Rate</b>	<b>Pay Code</b>	<b>Piece Rate</b>
A	\$16.30	XA	\$6.20
B	\$17.15	XB	\$8.50
C	\$17.90	XC	\$10.80
D	\$18.75	XD	\$12.90
E	\$19.50	XE	\$14.20

A Daily Hours Worked chart shows the hours worked for one week by each hourly rate employee. A Daily Unit Production chart shows the number of units produced each day by the work group. Notice that the group builds different types of products during the week.

### ***Step One***

1. Complete the Daily Hours Worked chart by finding the regular-time and overtime hours worked during the week by each employee. Overtime is based on a 40-hour week.
2. Complete the Daily Unit Production chart by finding the total number of units produced for the week. Do this by adding the number of units produced each day and for each product type. Write the daily sums on the "Totals" line and the product sums in the "Total Units Produced" column. Then take a corner total to find the total weekly production of the group.

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DAILY HOURS WORKED							
Week Ending, August 20, 20--							
Employee	Hours Worked					Total Hours Worked	
	M	TU	W	TH	F	Regular	Overtime
Branton, Miles	8.0	9.1	8.0	8.0	8.5		
Hutton, Eunice	8.0	9.0	9.5	8.0	9.0		
Powers, Alden	8.0	9.0	7.5	8.0	7.1		

DAILY UNIT PRODUCTION						
Week Ending, August 20, 20--						
Product Type	Units Produced					Total Units Produced
	M	TU	W	TH	F	
T-12	8	11	0	8	2	
T-13	0	6	15	0	16	
T-24	9	0	1	13	0	
<b>Totals</b>		4				

**Step Two**

Complete the Payroll Sheet – Hourly & Piece-Rate Employees. Enter the pay rate for each employee. For hourly employees, enter the regular and overtime hours worked from the Daily Hours Worked chart. Then enter the total weekly production amount from the Daily Unit Production chart for piece-rate employees. Calculate the regular, overtime, and gross pay for hourly-rate employees and the gross pay for piece rate-employees. The overtime pay rate for hourly employees is 1.5 times the regular rate. Enter all data in the appropriate spaces on the Payroll Sheet. No data is to be entered in the shaded areas.

PAYROLL SHEET — HOURLY and PIECE-RATE EMPLOYEES								
Employee	Pay Code	Pay Rate	Total Weekly Production	Hours Worked		Pay		Gross Pay
				Regular	Overtime	Regular	Overtime	
Branton, Miles	B							
Hutton, Eunice	D							
Powers, Alden	A							
Beresh, Sol	XA							
Koss, Justine	XB							
Pelletier, Vera	XE							
Yang, Tas-fan	XC							

***Integrated Project 1, continued***

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***Step Three***

Answer the questions that follow about Pro-Med's weekly payroll.

3. What total amount of gross pay was paid for the week ending August 20 to hourly and piece-rate employees?
  
4.
  - a. For the week ending August 20, what total amount of gross pay was paid to piece-rate employees?
  - b. What average amount of piece-rate employees' total gross pay was spent to build each unit produced during the week of August 20, to the nearest cent?
  
5. The manager, Audrey Naumoff, is paid an annual salary of \$74,000 a year. What is her monthly gross pay, rounded to the nearest dollar?
  
6. The annual salary of the administrative assistant, Edwin Brisbois, is \$28,400. What weekly gross pay is Edwin paid, to the nearest cent?
  
7. Lorenzo Jordan, Pro-Med's salesperson, is paid a salary of \$300 a week and a commission of 5% of average weekly sales.
  - a. What is Lorenzo's gross pay for a week if sales average \$30,000 weekly?
  - b. At this weekly sales rate, how much would Lorenzo earn in a year?
  
8. The temporary help agency charges \$185 per day for the per diem accountant.
  - a. What amount was paid to the agency for the accountant's work for the week ending August 20?
  - b. If the per diem rate and the days worked per week remain the same for an entire year, how much will Pro-Med spend for accountant services in one year?