Small group discussion

Note: For most questions, answers will vary.

1. What are some careers in which a person is asked to sell a service or product?
    - **Automotive – service, parts, car rental, car sales**
    - **Banking – stocks, mutual funds, customer service**
    - **Insurance – home, life, health, car, boat**
    - **Retail – clothes, food, furniture, electronics**
    - **Pharmaceutical**

2. Think about the careers mentioned in question #1. What are some local businesses that sell that service or product?

    Answers will vary according to location.

3. How might a salesperson get paid?

    Salary or commission

4. What makes a salesperson good at his/her job?

    - **Outgoing personality**
    - **Knowledge about and belief in product**
    - **Attentive to customers' needs and wants**

5. If you were a salesperson, what would be some advantages and disadvantages of getting paid only a salary?

    Advantages:
    - **Steady income**
    - **You always know what you'll make**

    Disadvantages:
    - **You don't get paid for showing initiative**

6. If you were a salesperson, what would be some advantages and disadvantages of getting paid only a commission?

    Advantages:
    - **Good months/accounts = extra money**
    - **Hard work = higher pay**

    Disadvantages:
    - **Bad months = little money**
    - **Sick / vacation time = no pay**

Answer key

7. Can you think of a few careers in sales that might be of interest to you?

   Answers will vary according to student interest.

8. <u>Homework</u>: Ask a parent/guardian if he or she has ever worked in sales. What product or service did he/she sell? What did he/she like and dislike about the job? Be ready to share with the class tomorrow.

"I could sell oceanfront property in Montana…"

Stocks/Bonds

A transaction at My Fund, Inc. between a stockbroker and someone who wants to buy stocks or mutual funds has an average commission of 45% of what is charged by the bank.

1. If My Fund, Inc. charged Mrs. Smith $2,500 for brokering the purchase of a mutual fund, what is the commission for the broker?

     $2,500 x .45 = $1125.00

2. A customer heard that Bill Gates recently stepped down as CEO of Microsoft, and that the new CEO is expected to make a real push towards the Internet. If this is accomplished, marketplace and stocks are expected to go up. The customer visits the bank and purchases shares in Microsoft stock, which yield earnings of $12,000 for the bank. What is the commission for the stockbroker that sold the stocks to the customer?

     $12,000 x .45 = $5,400

Web design/construction

Coretecs is a small web tech company in Winston-Salem that constructs and maintains websites for the city and local businesses. If a Coretecs employee signs a new customer to a contract, the employee receives a 10% commission for the first year of the contract.

3. If an employee sells a one-year service contract that costs $5,000 per month, what is the total commission that the Coretecs employee can expect to make?

     $5,000 x 12 = $60,000

     $60,000 x .10 = $6,000

4. If an employee sells a two-year service contract that costs $3,000 per month, what is the total commission that the Coretecs employee can expect to make?

     Students should note that employees only earn commission for the first year of the contract.
     $3,000 x 12 = $36,000

     $36,000 x .10 = $3,600

Answer key

Real estate

HomeSales Co. is a leader in the real estate industry for all of the Carolinas. Their commission rate for the sale of a home they have listed with their company is 6%. If they have to work with another real estate company in the sale of a home, they have to split the commission with the other company.

5. Suppose you are the listing agent for HomeSales Co. and you sell a home to a customer for $225,000. How much money have you made for the company?

   $225,000 x .06 = $13,500

6. How much would you make for the company if you had to work with Tri-Max (real estate company) in the sale of a home that sold for $168,500?

   $168,500 x .03 = $5,055

7. As a real estate agent you get paid a percentage of what you earn for the company. Suppose you earn 65% of the commission that you make for the company. This month you sold a home, which you also listed, for a total of $300,000. How much money have you earned?

   Company makes:
   $300,000 x .06 = $18,000

   Agent makes:
   $18,000 x .65 = $11,700