Student’s Name:

Professor’s name:

Course Code:

Date:

**Earning and spending assignment**

This report illustrates the detail of the contract awarded to the company by the pizza company to handle the operation of the telephone. The telephone contract includes the receiving of pizza orders from the clients by phone and forwarding to the Pizza Company for delivery. It requires a long hour work and therefore, several factors must be considered before the deal is accepted. However, to determine the appropriate mode of payment, the calculation was done and the decision was made based on the return and hours. The payment per hour with overtime (wages) is a good mode of payment, which is more viable but it is the best based on the calculation. Pay per piecework gives employee leverage to work and earn more and based on the calculation it is the best mode of payment, which is accepted under the condition and terms of the work.

Pay per piecework is general payment on the number of worked completed or done in a day, In this case, it does depend on the number of pizza ordered by clients or calls receive per day and therefore, it is less risky and protects an employee and gives an individual an opportunity to make more money. It is, therefore, the best payment method, which I will choose as my mode of payment during the working contract with the new company. Pay per piece of work is calculated based on a commission on workload and retainer. And therefore, what is earned depends on the value of products sold in a day. However, pay per hour is calculated based on the hours, and overtime. With pay per piece of work, I would be able to work for several hours including the overtime and make earn a lot as well. It means that when the company’s sales increases, the wages earned by employees increases as well. This is likely to result in a higher pay considering that the calculation of the payment I based on the hour and the value of the workload. The payment based on the hours completed exposes an employee to a lot of risks. It seems that when an employee does not receive any order then it means the employee would no earn. The payment per workload is more beneficial to employees compared to pay per hour because helps a company to reduce wages. But pay workload with retainer would be the ideal method of payment for this contract to be done effectively.

**Calculation**

**Pay per hour with overtime**

**Week 2:**

Wages = hours work X rate per hour + overtime

 Week2: [15 \*25] + [3\*25]

 375 + 75

 $ 450

**Week 3:**

Wages = hours work X rate per hour + overtime

 [25\*20] + [1.5 \*25]

 500 +37.5

Week 3 wages = 537.5

**Week 4:**

 Wages = hours work X rate per hour + overtime

 [12.5\*25] + [6\*25]

 312.5 + 150

 **$ 460.5**

**The total payment for one month would be**

 = $450 + 537.5 +460.5

 = $ 1,448.00

**2. Wages paid based on piecework**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Week** | **Total Value of orders** | **Retainer** | **Commission % of orders** | **Total weekly payment** |
| **1** | $15,000  | 115 | 5% | $865  |
| **2** | $12,000  | 115 | 5% | $715  |
| **3** | $19,500  | 115 | 5% | $1,090  |
| **4** | $11,700  | 115 | 5% | $700  |
|  |  |  |  |  |

Table1: Wages paid based on the piece work

**Payment for the work done based on hourly pay rate**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Week** | **Standard hours worked** | **Overtime hours worked** | **Number of orders taken** | **Standard hourly rate** | **Overtime rate** | **Rate per order taken** | **Weekly Wage** | **Weekly piecework** |
| 2 | 15 | 3 | 495 | 25 | 25 | 5% | 450 | 7425 |
| 3 | 20 | 1.5 | 530 | 25 | 25 | 5% | 537.5 | 10600 |
| 4 | 12.5 | 6 | 481 | 25 | 25 | 5% | 462.5 | 6012.5 |

**Table 2: Hourly pay rate and weekly payment**

**Discussion**

Payment per piece of work would be the best payment method for telephone services. Calculation of the payment based on the piecework indicates that it is being paid higher than pay per hour rate with overtime. Based on the calculation, pay per piece work for week 1 is $865, week 2 is $715, week 3 is 1090 and week four is $700. It gives a total of $3370 per month. The pay per hour with overtime payment are week two $450, week three is $537 and week four is $460.5, with a total of $ 1,448.00. In this case, it seems payment per piecework earns a lot of wages at the end of every week. And therefore, it is the best method of payment, which would be used as the payment method in this agreement. Payment per piece work is the best since it factors in the production rather than the time an employee spends at work. It means that the work the company receives a day or in a week, the higher the earning or wages an employee will receive at the end of the week. It, therefore, gives an employee an opportunity to work extra hard and earn more wages.

**Conclusion**

It is, therefore, my pleasure to inform you that I have accepted the job offer at your company. It would be of my interest to work under the payment term of pay per piecework payable after every seven days or weekly. The payment terms, which include a commission of 5% of the total value of orders made in a week, with a retainer of $115 per week. The payment should factor in the workload and other benefits, which might be offered. With these terms of payment, I would be willing to start the work anytime.