

Name

Date

Period

Profit Sharing, Employee Ownership, Stock Options**Show Your Work!!!**

Example: A company has a profit sharing plan that distributes 10% of its annual profits equally among 200 employees. If the company makes a profit of \$2,600,000, how much does each employee receive in profit sharing benefits?

Profit x Percent shared = Profit shared with employees

$$\$2,600,000 \times .10 = \$260,000$$

Profit shared / Number of employees = Profit each employees receives

$$\$260,000/200 = \$1,300$$

Each employee receives \$1,300 of the company's profit.

Directions: Find the profit sharing benefit per employee. Round to the nearest dollar.

	Annual Profit	Percent of Profit Shared	Number of Employees	Benefit per Employee
1	\$940,000	20%	40	
2	\$1,800,000	10%	100	
3	\$620,000	15%	225	
4	\$5,400,000	20%	347	
5	\$3,610,000	15%	92	

Directions: Estimate, then find the actual profit.

	Purchase Price	Selling Price	Estimated Profit	Amount of Profit
6	\$.72	\$2.13		
7	\$2.61	\$9.82		
8	\$12.20	\$21.36		
9	\$28.71	\$46.80		
10	\$43.90	\$102.09		

Directions: Find the profit from exercising the given number of options.

	Purchase Price	Selling Price	Number of Options Exercised	Profit
11	\$4.00	\$12.00	400	
12	\$19.00	\$30.00	380	
13	\$13.29	\$27.64	2,500	
14	\$29.61	\$41.02	900	
15	\$38.75	\$52.29	1,300	