

Lesson 4: Economic Principles of Agricultural Business

Name_____

Individual Gross and Net Income

Objective: Differentiate between gross and net income.

Directions: Read the paragraph below and calculate the gross and net income of the employee's monthly paycheck.

Pete's annual paycheck from working part time at the feed store is \$664.50 before deductions. \$13.43 of his monthly paycheck goes to the federal government and \$4.91 goes to the state government. He pays \$15 every month for gas, oil, and maintenance for his pickup truck and \$20 a month for miscellaneous expenses (going to the movies, getting new clothes, etc.).

1. What is Pete's gross income?

2. What is Pete's net income?
