

Math 308 N Test Prep Homework
DUE WEDNESDAY JAN 9

- (1) Before paying employee bonuses and state and federal taxes, a company earns profits of \$103,000. The company pays employees a bonus equal to 5% of after-tax profits. State tax is 5% of profits (after bonuses are paid). Finally, federal tax is 40% of profits (after bonuses and state tax are paid). Calculate the amounts paid in bonuses, state tax and federal tax.