

Commission.

1. When a person buys or sells goods for another he is called a commission merchant or some name which means the same thing as *Agent* or *Correspondent*. We will suppose that John Brown, London, writes to Wm. Smith, of Winnipeg, requesting him to buy 200 bbl. of flour at \$5 a barrel. Smith is to receive for his trouble $1\frac{1}{2}\%$ per cent of what he pays. What he receives is called his *commission*. Who is the *Principal* in this transaction? Who is the *Agent*? What is paid for the flour? What is Mr. Smith's *commission*? Is Smith a buying agent or a selling agent in this case? We will suppose that he also sells goods, and receives from James Robinson, of Lynn, a consignment of 500 cases of shoes which he is commissioned to sell at \$90 a case. His *commission* for selling is $1\frac{1}{2}\%$ of the amount of sale. What does he receive for the shoes? What is his *commission*? What are the net proceeds of the sale? Who is the consignor in this case? Who is the consignee?

2. Define Principal; Agent; Commission.

3. A commission merchant in Chicago buys 1000 bbl. of flour at \$5 a barrel. What is his *commission* at $1\frac{1}{2}\%$?

4. If I send to a commission merchant \$1050 with which to buy flour after deducting his *commission* of 5%, will he deduct 5% of \$1050? \$1050 is how many hundredths of the cost of flour? How will you find the cost of flour?

$$\frac{100}{100} \text{ of cost} = \text{cost.}$$

$$\frac{100}{100} \text{ of cost} = \text{commission.}$$

$$\frac{100}{100} \text{ of cost} = \text{amt. sent} = \$ \text{---.}$$

$$\frac{100}{100} \text{ of cost} = \$ \text{---.}$$

$$\frac{100}{100} \text{ of cost} = \$ \text{---.}$$

5. An agent receives \$20 for selling goods. If his *commission* was 2%, for how much did he sell the goods?

$$\frac{100}{100} \text{ of cost} = \text{cost.}$$

$$\frac{100}{100} \text{ of cost} = \text{commission} = \$ \text{---}$$

$$\frac{100}{100} \text{ of cost} = \$ \text{---.}$$

$$\frac{100}{100} \text{ of cost} = \$ \text{---.}$$

6. A factor in New Orleans bought cotton for \$8000 at $\frac{1}{2}\%$ *commission*. What was paid for both cotton and *commission*?