

Contestant Number: \_\_\_\_\_

Time: \_\_\_\_\_

Rank: \_\_\_\_\_



# PAYROLL ACCOUNTING

## (125)

### REGIONAL 2022

#### CONCEPT KNOWLEDGE:

Multiple Choice (15 @ 2 points each) \_\_\_\_\_ (30 points)

#### APPLICATION KNOWLEDGE:

Short Answer (9 @ 2 points each) \_\_\_\_\_ (18 points)

Job 1 – Time Card (2 points each) \_\_\_\_\_ (26 points)

Job 2 – Pay Conversion (2 points each) \_\_\_\_\_ (40 points)

***TOTAL POINTS*** \_\_\_\_\_ (***114 points***)

**Test Time: 60 minutes**

**GENERAL GUIDELINES:**

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**EXAM GUIDELINES:**

You have been hired as a Financial Assistant and will be keeping the accounting records for Digital Solutions, located at 700 Morse Road, Suite 201, Columbus, Ohio 43214. Digital Solutions provides accounting and other financial services for clients. You will complete jobs for Digital Solutions' own accounting records, as well as for clients.

You will have 60 minutes to complete your work. The test is divided into two parts: concept knowledge and application knowledge.

Your name and/or school name should *not* appear on any work you submit for grading. Write your Member ID in the provided space. Staple all pages in order before you turn in your test.

Assumptions to make when taking this assessment:

- Round all percentages to two decimal places unless otherwise indicated.
- Assume all employees earn overtime for any hours worked over 40 hours in a week unless otherwise instructed.
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- Use 6.2% for Social Security Tax on the first \$100,000 in wages.
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- Use 5.4% for State Unemployment Tax and 0.8% (\$7,000 ceiling) for Federal Unemployment Tax.
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**Multiple Choice:** Identify the letter of the choice that *best* completes the statement or answers the question.

1. \_\_\_\_\_ is not a required payroll deduction.
  - A. Federal Withholding
  - B. Health Insurance
  - C. Medicare
  - D. Social Security
  
2. The total amount earned by all employees for a pay period is called \_\_\_\_\_.
  - A. withholdings
  - B. net pay
  - C. payroll
  - D. salary
  
3. How many paychecks in a year would an employee receive if he/she is paid bimonthly?
  - A. 12
  - B. 24
  - C. 26
  - D. 52
  
4. Which of the following taxes do both the employee and employer pay?
  - A. Federal Withholding Tax & State Withholding Tax
  - B. Federal & State Unemployment Taxes
  - C. Insurance
  - D. Medicare & Social Security Taxes
  
5. A separate payroll checking account is needed to \_\_\_\_\_.
  - A. eliminate employee earnings records
  - B. help reduce the cost of preparing a payroll
  - C. meet the IRS requirements per the Social Security Administration guidelines
  - D. protect and control payroll payments
  
6. The least common pay period is \_\_\_\_\_.
  - A. daily
  - B. biweekly
  - C. weekly
  - D. monthly
  
7. Employee total earnings are calculated as \_\_\_\_\_.
  - A. regular hours times regular rate, plus overtime hours times overtime rate of pay
  - B. regular hours times regular rate, plus overtime hours times 1.5 times the overtime rate of pay
  - C. total hours times total rate of pay
  - D. total hours times total rate of pay, plus overtime hours plus overtime rate of pay

8. How many hours were worked by an employee who clocked in at 7:45 a.m. and clocked out at 12:45 p.m.?
  - A. 4 hours and 30 minutes
  - B. 5 hours
  - C. 5 hours and 15 minutes
  - D. 5 hours and 30 minutes
  
9. What does FICA stand for?
  - A. Federal Insurance Contributions Act
  - B. Federal Interest Contributions Act
  - C. Final Insurance Contributions Act
  - D. First Insurance Contributions Act
  
10. If an employee is paid \$8.35 per hour and works 41.5 hours this week, what would be the employee's total regular earnings before overtime?
  - A. \$329.83
  - B. \$334.00
  - C. \$346.53
  - D. \$352.80
  
11. The federal form used by a payroll clerk to determine the amount of Federal Income Tax to withhold from an employee's paycheck is called a(n) \_\_\_\_\_.
  - A. 1040
  - B. I-9
  - C. W-2
  - D. W-4
  
12. Lexi worked 45 hours this week. She is paid \$9.00 per hour. How much would Lexi earn in gross pay for the weekly pay period?
  - A. \$67.50
  - B. \$360.00
  - C. \$405.00
  - D. \$427.50
  
13. Which of the following would you not find in a payroll register?
  - A. employee number
  - B. employee name
  - C. gross pay
  - D. social security number
  
14. Net pay is also called \_\_\_\_\_.
  - A. gross earnings
  - B. gross pay
  - C. payroll expense
  - D. take home pay

15. Overtime is paid at what rate?
- A. There is no minimum rate
  - B. 0.5 times the hourly rate
  - C. 1.5 times the hourly rate
  - D. 2.0 times the hourly rate

**Short Answer:** Answer the following questions and write the answer on the line provided. (9 @ 2 points each = 18 points)

16. If Tanner is paid biweekly, how many paychecks will he receive in a year?

\_\_\_\_\_

17. Zac is paid \$12.40 per hour. What would Zac's overtime rate of pay be per hour?

\_\_\_\_\_

18. Allison makes local deliveries. She is paid \$1.25 for each delivery from Monday – Saturday. She is paid \$1.75 for each delivery made on Sunday. What is Allison's gross pay for the week if she makes 310 local deliveries from Monday-Saturday and 25 deliveries on Sunday? \_\_\_\_\_

19. Charlie works at a local restaurant and is paid biweekly. His annual salary is \$65,812. He is paid overtime for any hours worked over 80 in a biweekly pay period. Charlie worked 6 hours of overtime. Calculate the items listed below.

A. Regular salary for biweekly pay period \_\_\_\_\_

B. Overtime rate \_\_\_\_\_

C. Overtime pay \_\_\_\_\_

D. Gross pay \_\_\_\_\_

20. Cherise works as a dental hygienist. She makes \$57,000 annually. How much will be withheld for the year for Social Security and Medicare taxes?

A. Social Security Tax \_\_\_\_\_

B. Medicare Tax \_\_\_\_\_

**Job 1: Time Card (13 @ 2 points each = 26 points)**

Use the time card to calculate the regular, overtime, and total earnings for Ellie Jameson. Ellie is allowed an unpaid hour for lunch each day that she works more than 5 hours. She is not docked for any clock in time +/- 6 minutes or less. Ellie’s regular work day is 9 a.m. – 5:30 p.m. Time should be listed as a decimal and not as a fraction.

| WEEK ENDING: November 28, 2021 |                |                     |          |
|--------------------------------|----------------|---------------------|----------|
| EMPLOYEE NO.: 11               |                | Hourly Rate: \$9.12 |          |
| NAME: Ellie Jameson            |                |                     |          |
| SSN: 578-25-1234               |                |                     |          |
| Day                            | In             | Out                 | Hours    |
| Monday                         | 9:00 a.m.      | 6:35 p.m.           |          |
| Tuesday                        | 8:58 a.m.      | 6:29 p.m.           |          |
| Wednesday                      | 8:56 a.m.      | 7:01 p.m.           |          |
| Thursday                       | 8:59 a.m.      | 6:34 p.m.           |          |
| Friday                         | 9:03 a.m.      | 7:35 p.m.           |          |
|                                |                |                     |          |
|                                | Hours          | Rate                | Earnings |
| Regular                        |                |                     |          |
| Overtime                       |                |                     |          |
| Total Hours                    | Total Earnings |                     |          |

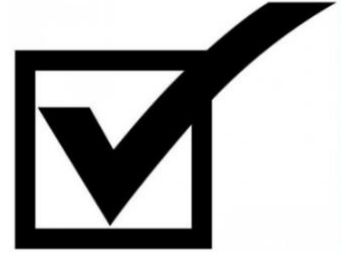
**Job 2: Pay Conversion (2 points per answer = 40 points)**

Using the annual salary provided, find the monthly, bimonthly, biweekly, weekly, and hourly wages.

| Annual Salary | Monthly Salary | Bimonthly Salary | Biweekly Salary | Weekly Salary | Hourly Rate |
|---------------|----------------|------------------|-----------------|---------------|-------------|
| \$101,886.00  |                |                  |                 |               |             |
| \$52,470.00   |                |                  |                 |               |             |
| \$74,280.00   |                |                  |                 |               |             |
| \$42,340.00   |                |                  |                 |               |             |



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**2 points each = 30 points**

| <b>Multiple Choice</b> |          |
|------------------------|----------|
| 1.                     | <b>B</b> |
| 2.                     | <b>C</b> |
| 3.                     | <b>B</b> |
| 4.                     | <b>D</b> |
| 5.                     | <b>D</b> |
| 6.                     | <b>A</b> |
| 7.                     | <b>A</b> |
| 8.                     | <b>B</b> |
| 9.                     | <b>A</b> |
| 10.                    | <b>B</b> |
| 11.                    | <b>D</b> |
| 12.                    | <b>D</b> |
| 13.                    | <b>D</b> |
| 14.                    | <b>D</b> |
| 15.                    | <b>C</b> |

**2 points each = 18 points**

| <b>Short Answer</b> |                   |
|---------------------|-------------------|
| 16.                 | <b>26</b>         |
| 17.                 | <b>\$18.60</b>    |
| 18.                 | <b>\$431.25</b>   |
| 19a.                | <b>\$2,531.23</b> |
| 19b.                | <b>\$47.46</b>    |
| 19c.                | <b>\$284.76</b>   |
| 19d.                | <b>\$2,815.99</b> |
| 20a.                | <b>\$3,534.00</b> |
| 20b.                | <b>\$826.50</b>   |

**Job 1: Time Card (13 @ 2 points each for each shaded answer = 26 points)**

|                     |             | WEEK ENDING: November 28, 2021 |                 |
|---------------------|-------------|--------------------------------|-----------------|
| EMPLOYEE NO.: 11    |             | Hourly Rate: \$9.12            |                 |
| NAME: Ellie Jameson |             |                                |                 |
| SSN: 578-25-1234    |             |                                |                 |
| Day                 | In          | Out                            | Hours           |
| Monday              | 9:00 a.m.   | 6:35 p.m.                      | <b>8.5</b>      |
| Tuesday             | 8:58 a.m.   | 6:29 p.m.                      | <b>8.5</b>      |
| Wednesday           | 8:56 a.m.   | 7:01 p.m.                      | <b>9.0</b>      |
| Thursday            | 8:59 a.m.   | 6:34 p.m.                      | <b>8.5</b>      |
| Friday              | 9:03 a.m.   | 7:35 p.m.                      | <b>9.5</b>      |
|                     |             |                                |                 |
|                     | Hours       | Rate                           | Earnings        |
| Regular             | <b>40.0</b> | <b>\$9.12</b>                  | <b>\$364.80</b> |
| Overtime            | <b>4.0</b>  | <b>\$13.68</b>                 | <b>\$54.72</b>  |
| Total Hours         | <b>44.0</b> | Total Earnings                 | <b>\$419.52</b> |

**Job 2: Pay Conversion (2 points for each shaded answer = 40 points)**

| <b>Annual Salary</b> | <b>Monthly Salary</b> | <b>Bimonthly Salary</b> | <b>Biweekly Salary</b> | <b>Weekly Salary</b> | <b>Hourly Rate</b> |
|----------------------|-----------------------|-------------------------|------------------------|----------------------|--------------------|
| \$101,886.00         | <b>\$8,490.50</b>     | <b>\$4,245.25</b>       | <b>\$3,918.69</b>      | <b>\$1,959.35</b>    | <b>\$48.98</b>     |
| \$52,470.00          | <b>\$4,372.50</b>     | <b>\$2,186.25</b>       | <b>\$2,018.08</b>      | <b>\$1,009.04</b>    | <b>\$25.23</b>     |
| \$74,280.00          | <b>\$6,190.00</b>     | <b>\$3,095.00</b>       | <b>\$2,856.92</b>      | <b>\$1,428.46</b>    | <b>\$35.71</b>     |
| \$42,340.00          | <b>\$3,528.33</b>     | <b>\$1,764.17</b>       | <b>\$1,628.46</b>      | <b>\$814.23</b>      | <b>\$20.36</b>     |