Contestant Number	
Time	
Rank	

PAYROLL ACCOUNTING (04)

Sponsored by the American Institute for Certified Public Accountants.

Regional-2010

TOTAL POINTS	(157 pts)
Problem 4: General Ledgers	(20 pts.)
Problem 3: General Journal	(29 pts.)
Problem 2: Payroll Register	(31 pts.)
Production Portion Problem 1: Time Card	(26 pts.)
Short Answers (7 @ 3 points each)	(21 pts.)
Multiple Choice (15 @ 2 points each)	(30 pts.)

Failure to adhere to any of the following rules will result in disqualification:

- 1. Contestant must hand in this test booklet and all printouts. Failure to do so will result in disqualification.
- 2. No equipment, supplies, or materials other than those specified for this event are allowed in the testing area. No previous BPA tests and/or sample tests or facsimile (handwritten, photocopied, or keyed) are allowed in the testing area.
- 3. Electronic devices will be monitored according to ACT standards.

No more than ten (10) minutes orientation No more than 90 minutes testing time No more than ten (10) minutes wrap-up

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Workplace Skills Assessment Program competition.

General Instructions

You have been hired as a Financial Assistant and will be keeping the accounting records for Professional Business Associates, located at 5454 Cleveland Avenue, Columbus, Ohio 43231. Professional Business Associates provides accounting and other financial services for clients. You will complete jobs for Professional Business Associates' own accounting records, as well as for clients.

You will have 90 minutes to complete your work. The test is divided into two parts. The multiple choice and short answer questions should be completed first, and then the accounting problems may be completed in any order.

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

Assumptions to make when taking this assessment:

- Round all calculations to two decimal places
- Assume employees earn overtime for any hours worked over 40 hours in a week unless otherwise instructed
- All time calculations are rounded to the nearest quarter hour
- Income Tax Withholding Tables are provided at the end of the assessment
- Use 6.2% for Social Security Tax and 1.45% for Medicare Tax
- Use 5.4% for State Unemployment Tax and 0.8% for Federal Unemployment Tax
- Assume that no employee has accumulated earnings in excess of the Social Security Tax base

PAYROLL ACCOUNTING REGIONAL 2010 Page 3 of 9

Multiple Choice:

Select the best answer and record the answer on the Scantron provided.

- 1. A payment plan where earnings are based on units produced:
 - a. Production plan
 - b. Unit plan
 - c. Piece rate plan
 - d. Rate plan
- 2. The law that regulates wages and hours of work, including minimum wage and overtime:
 - a. Fair Labor Standards Act (FLSA)
 - b. Hard Worker Act (HWA)
 - c. Minimum Wage Act (MWA)
 - d. Employment Act (EA)
- 3. When a court of law orders deductions from an employee's wages it is called a:
 - a. Garnishment
 - b. Auto deductions
 - c. Pre tax deductions
 - d. Mandated
- 4. Determining income tax to be withheld using a tax table is the:
 - a. Tax table method
 - b. Federal method
 - c. Wage table method
 - d. Wage bracket method
- 5. Sales people that are paid a percentage of their sales earn:
 - a. Commission
 - b. Salary
 - c. Bonuses
 - d. Overtime
- 6. Taxes paid by both the employee and the employer include:
 - a. Unemployment taxes
 - b. Federal taxes
 - c. Social Security and Medicare tax
 - d. State Income taxes
- 7. Laws that prohibit employment discrimination based on age, race, color, religion, sex or national origin are:
 - a. Discrimination laws
 - b. Employer guidelines
 - c. Fair employment laws
 - d. Protection laws

PAYROLL ACCOUNTING REGIONAL 2010 Page 4 of 9

- 8. Workers who are temporarily unemployed receive:
 - a. Strike pay
 - b. Insurance pay
 - c. Vacation pay
 - d. Unemployment compensation benefits
- 9. The third step in the accounting cycle, journalizing, can be compared to:
 - a. Maintaining a checkbook
 - b. Taking good notes
 - c. Keeping a diary
 - d. Writing in Ts
- 10. The final step in the accounting cycle is:
 - a. Preparing a Post Closing Trial Balance
 - b. Checking all numbers
 - c. Preparing a worksheet
 - d. Distributing payroll
- 11. Assets are \$27,000 and Owners Equity is \$17,000, then Liabilities are:
 - a. \$37,000
 - b. \$44,000
 - c. \$10,000
 - d. \$14,000
- 12. Form W-4 is used to determine:
 - a. Federal income tax withholding
 - b. Hours worked in a pay period
 - c. Commission earned
 - d. Social Security tax
- 13. The IRS Employer tax guide that is a valuable resource for preparing payroll is:
 - a. IRS Employment Code
 - b. Publication 15
 - c. Employer Publication
 - d. Payroll Publication
- 14. Besides preparing and issuing checks, an accurate payroll system achieves what other goals?
 - a. Completes W-4s
 - b. Journalizes taxes
 - c. Keeps track of unemployment payments
 - d. Generates payroll records and reports
- 15. Bannon had no tax liability last year and he expects none this year. No one else claims him on their taxes and he only made \$675 last year. For federal income tax purposes he is:
 - a. Unemployed
 - b. Dependant
 - c. Exempt
 - d. Allowanced

PAYROLL ACCOUNTING REGIONAL 2010 Page 5 of 9

Short Answer:

1.	Barbara is paid weekly. Last week she worked 46.5 hours. What are her gross earnings if her hourly wage is \$8.00?
2.	Mason is paid every week. His hourly rate of pay is \$7.55 per hour. Mason is expected to produce 100 units per day. For every unit produced over 100 he receives an incentive of \$2.12 per unit. Last week Mason worked 40 hours are produced 117 units. Calculate Mason's gross earnings.
3.	As of November 7, Mike Roberts made \$55,478. If his gross pay is \$1,875 this pay period, what is his social security tax liability?
4.	Maxine Keith makes an annual salary of \$48,000. Calculate the following:
	Bi-monthly salary Bi-weekly salary
	Weekly salary
5.	Geraldine Johnson makes \$600 weekly plus 12% of her sales. Last week she sold \$6,322 worth of merchandise. Calculate Geraldine's gross pay.

Problem One

Use the information below to complete the time card. Jane gets paid for a 30 minute lunch daily.

Time Card	·	-	•
Employee No. 741		Week Endin	g: December 21, 2009
Name: Emerson, Jane	9		Exemptions: 1
Social Security No.: x	XX-XXX-XXX		Hourly Rate: \$11.15
Day	In	Out	Hours
Monday	8:06 AM	3:17 PM	
Tuesday	8:08 AM	4:11 PM	
Wednesday	7:54 AM	2:03 PM	
Thursday	8:04 AM	3:09 PM	
Friday	7:41 AM	2:45 PM	
Saturday	10:12 AM	3:40 PM	
	Hours	Rate	Earnings
Regular			
Overtime			
Totals			

Problem Two

Complete the first quarter Employee Earnings Record for Jackie Morris. Jackie is a sales manager and she is a salaried employee. Her social security number is 333-33-3333. The weekly pay period ended December 31, 2009.

				ctions			
Employee	Employee	Marital	No. of	Regular	Overtime	United	Health
No.	Name	Status	Allowances			Way Deduction	Insurance
						Deduction	
121	Morris, Jackie	S	1	\$710.00		\$15.00	
122	Moyet, Kendall	М	2	\$925.00	\$36.00	\$20.00	\$36.00
123	Johnson, Porter	М	2	\$978.00	\$98.00		\$58.00

		EA	RNINGS R	ECORD	FOR QU	ARTER E	ENDED				
Emp	oloyee No)				Maı	ritalW	/ithholdi	ng		
	•		Last Nam	ie	Fir	rst	Status	A	Allowan	ces	
Rate	e of Pay_		Social S	ecurity N	o		_	Position	1		_
Pay	Period		Earnings			D	eductions				Accumulated Earnings
											49,367.00
No	Ended	Regular	Overtime	Total	Federal Income Tax	Social Security Tax	Medicare Tax	Other	Total	Net Pay	

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Problem Three

Journalize the payment of the January 13 payroll and the employer's payroll taxes on Page 3 of the General Journal provided. Source documents are Check 145 and Memorandum 118.

Date of payment:	January 13, 2010	
Total Payroll	\$4,531.00	
Federal Income Tax Withheld	\$906.00	
Social Security Tax Withheld	\$ 282.00	
Medicare Tax Withheld	\$65.00	
U.S. Savings Bonds	\$ 75.00	
Health Insurance Premiums	\$ 423.00	

GENERAL JOURNAL

Page ____

Date	Account Title	Doc No.	Post Ref.	I	Deb	it		Credit					
 													
 													
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											-		
						-					+		
											_		
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Problem Four

Post the employer's payroll tax expense.

ACC	OU	NT <u>Payroll Tax E</u>	xpense													AC	COL	JNT	N	O.	62	0
Date)	Description	Post	Debit					(Cre	dit						Bala	Balance				
		-	Ref.										Debit						Credit			
													9	1	5	5						

ACC	OU	NT <u>Federal Unem</u>	ploymer	nt Ta	ax	Pa	yak	ole								F	ACCO	NUC	VΤ	N	 2 	220
Date)	Description	Post		Debit					(Cre	dit					Bala	alance				
			Ref.													Credit						
																			3	1	8	

ACC	ACCOUNT Medicare Tax Payable ACCOUNT NO. 225															5								
Date		Description	Post		Debit				Credit									Bala	ance)				
			Ref.												Debit						Credit			
																				7	3	1		
																							•	

ACC	OU	NT Social Security	Tax Pa	ayab	<u>le</u>										AC	COI	JNT	N	Ю.	23	08
Date)	Description	Post			eb)	it			(Cre	dit				Bala	ance)			
			Ref.)ek	oit			(Cre	dit	
																	2	9	9	7	

ACC	OU	NT State Unemple	oyment ⁻	Гах	Pa	yal	ble							-	٩C	COL	INT	N	Э. :	23	5
Date)	Description	Post Ref.		D	eb)	it			(Cre	dit				Bala	ance)			
									Dek	oit			(Cre	dit						
																	5	1	0	9	

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SINGLE Persons—WEEKLY Payroll Period (For Wages Paid in 20--)

					_	ges Paic			laisead in			
If the wag	es are-	I				mber of wit						
At least	But less than	0	1	2	3 The ar	4 mount of in	5 come tax to	6 be withhe	7 Id is—	8	9	10
\$600	\$610	95	80	68	60	52	44	36	29	21	13	5
610	620	97	83	69	61	53	46	38	30	22	15	7
620	630	100	86	71	63	55	47	39	32	24	16	8
630	640	103	88	74	64	56	49	41	33	25	18	10
640	650	106	91	77	66	58	50	42	35	27	19	11
650	660	109	94	79	67	59	52	44	36	28	21	13
660	670	111	97	82	69	61	53	45	38	30	22	14
670	680	114	100	85	70	62	55	47	39	31	24	16
680	690	117	102	88	73	64	56	48	41	33	25	17
690	700	120	105	91	76	65	58	50	42	34	27	19
700	710	123	108	93	79	67	59	51	44	36	28	20
710	720	125	111	96	82	68	61	53	45	37	30	22
720	730	128	114	99	84	70	62	54	47	39	31	23
730	740	131	116	102	87	73	64	56	48	40	33	25
740	750	134	119	105	90	76	65	57	50	42	34	26
750	760	137	122	107	93	78	67	59	51	43	36	28
760	770	139	125	110	96	81	68	60	53	45	37	29
770	780	142	128	113	98	84	70	62	54	46	39	31
780	790	145	130	116	101	87	72	63	56	48	40	32
790	800	148	133	119	104	90	75	65	57	49	42	34
800	810	151	136	121	107	92	78	66	59	51	43	35
810	820	153	139	124	110	95	81	68	60	52	45	37
820	830	156	142	127	112	98	83	69	62	54	46	38
830	840	159	144	130	115	101	86	72	63	55	48	40
840	850	162	147	133	118	104	89	74	65	57	49	41
850	860	165	150	135	121	106	92	77	66	58	51	43
860	870	167	153	138	124	109	95	80	68	60	52	44
870	880	170	156	141	126	112	97	83	69	61	54	46
880	890	173	158	144	129	115	100	86	71	63	55	47
890	900	176	161	147	132	118	103	88	74	64	57	49
900	910	179	164	149	135	120	106	91	77	66	58	50
910	920	181	167	152	138	123	109	94	80	67	60	52
920	930	184	170	155	140	126	111	97	82	69	61	53
930	940	187	172	158	143	129	114	100	85	71	63	55
940	950	190	175	161	146	132	117	102	88	73	64	56
950	960	193	178	163	149	134	120	105	91	76	66	58
960	970	195	181	166	152	137	123	108	94	79	67	59
970	980	198	184	169	154	140	125	111	96	82	69	61
980	990	201	186	172	157	143	128	114	99	85	70	62
990	1,000	204	189	175	160	146	131	116	102	87	73	64
1,000	1,010	207	192	177	163	148	134	119	105	90	76	65
1,010	1,020	209	195	180	166	151	137	122	108	93	78	67
1,020	1,030	212	198	183	168	154	139	125	110	96	81	68
1,030	1,040	215	200	186	171	157	142	128	113	99	84	70
1,040	1,050	218	203	189	174	160	145	130	116	101	87	72
1,050	1,060	221	206	191	177	162	148	133	119	104	90	75
1,060	1,070	223	209	194	180	165	151	136	122	107	92	78
1,070	1,080	226	212	197	182	168	153	139	124	110	95	81
1,080	1,090	229	214	200	185	171	156	142	127	113	98	84
1,090	1,100	232	217	203	188	174	159	144	130	115	101	86
1,100	1,110	235	220	205	191	176	162	147	133	118	104	89
1,110	1,120	238	223	208	194	179	165	150	136	121	106	92
1,120	1,130	241	226	211	196	182	167	153	138	124	109	95
1,130	1,140	244	228	214	199	185	170	156	141	127	112	98
1,140	1,150	247	231	217	202	188	173	158	144	129	115	100
1,150	1,160	250	234	219	205	190	176	161	147	132	118	103
1,160	1,170	253	237	222	208	193	179	164	150	135	120	106
1,170	1,180	256	240	225	210	196	181	167	152	138	123	109
1,180	1,190	259	243	228	213	199	184	170	155	141	126	112
1,190	1,200	262	246	231	216	202	187	172	158	143	129	114
1,200	1,210	266	249	233	219	204	190	175	161	146	132	117
1,210	1,220	269	253	236	222	207	193	178	164	149	134	120
1,220	1,230	272	256	240	224	210	195	181	166	152	137	123
1,230	1,240	275	259	243	227	213	198	184	169	155	140	126
1,240	1,250	278	262	246	230	216	201	186	172	157	143	128
\$1,250 and	d over	Use	Table 1(a	a) for a	SINGLE	person.						



PAYROLL ACCOUNTING (04)

KEY

REGIONAL—2010

Multiple Choice (15 @ 2 points each)	 (30 pts.)
Short Answers (7 @ 3 points each)	 (21 pts.)
Production Portion Problem 1: Time Card	 (26 pts.)
Problem 2: Earnings Record	 (31 pts.)
Problem 3: General Journal	 (29 pts.)
Problem 4: General Ledgers	 (20 pts.)
TOTAL POINTS	(157 pts)

Judges/Graders:

Please double-check and verify all scores!

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PAYROLL ACCOUNTING KEY REGIONAL 2010 PAGE 2 of 5



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- Use 5.4% for State Unemployment Tax and 0.8% for Federal Unemployment Tax
- Assume that no employee has accumulated earnings in excess of the Social Security Tax base

PAYROLL ACCOUNTING KEY REGIONAL 2010 PAGE 3 of 5



Multiple Choice: Two points each.

- 1. C
- 2. A
- 3. A
- 4. D
- 5. A
- 6. C
- 7. C
- 8. D
- 9. C
- 10.A
- 11.C
- 12.A
- 13.B
- 14.D
- 15.C

Short Answer: Three points each

- 1. \$398.00
- 2. \$338.04
- 3. \$116.25
- 4. Bi-monthly \$2,000.00 Bi-weekly \$1,846.15 Weekly \$923.08
- 5. \$1,358.64

Problem One: Two points per bold answer, 26 points total.

Time Card	•	, ,	
Employee No. 741		Week Ending	g: December 21, 2009
Name: Emerson, Jar	ne		Exemptions: 1
Social Security No.:	XXX-XXX-XXX		Hourly Rate: \$11.15
Day	In	Out	Hours
Monday	8:06 AM	3:17 PM	7 1/4
Tuesday	8:08 AM	4:11 PM	8
Wednesday	7:54 AM	2:03 PM	6
Thursday	8:04 AM	3:09 PM	7 1/4
Friday	7:41 AM	2:45 PM	7
Saturday	10:12 AM	3:40 PM	5 ½
_	Hours	Rate	Earnings
Regular	40	11.15	\$446
Overtime	1	16.73	\$16.73
Totals	41		\$462.73

PAYROLL ACCOUNTING KEY REGIONAL 2010 PAGE 4 of 5



Problem Two: (31 points)

NOTE TO GRADER: One point for each bold on top part of record for 9 pts. Two points per bold answer on the bottom half for 22 points.

	EARI	NINGS	REC	ORD F	OR QUA	RTER E	NDED	Dece	mber	31, 20	09				
Emplo	oyee No. <u>'</u>	<u>121</u>	Mor Last N		Jackie First	<u> </u>	Marita Statu	_		olding <u>1</u> ances					
Rate															
Pay Earnings Deductions Peri od Accumulate															
										Earning	49,367.00				
No	Ended	Regular	ОТ	Total	Federal Income Tax	Social Security Tax	Medicare Tax	Other	Total	Net Pay					
121	12/31	710.00		710.00	111.00	44.02	10.30	15.00	180.32	529.68	50,077				

Problem Three: One point per bold, 29 points total.

GENERAL JOURNAL

Da 20		Account Title	Doc No.	Post Ref.			Deb	oit				Cre	dit	
Jan	13	Salary Expense	C145		4	5	3	1	00					
		Fed. Inc. Tax Payable									9	0	6	00
		Soc. Sec. Tax Payable									2	8	2	00
		Med. Tax Payable										6	5	00
		Health Ins. Prem. Pay.									4	2	3	00
		U.S. Savings Bonds Pay.										7	5	00
		Cash								2	7	8	0	00
		Payroll Tax Expense	M118			6	2	7	92					
		Soc. Sec. Tax Payable									2	8	2	00
		Med. Tax Payable										6	5	00
		Fed. Unemploy Tax Pay										3	6	25
		State Unemploy Tax Pay									2	4	4	67

NOTE TO GRADER: Account title abbreviations may be used and order of entries may vary.

PAYROLL ACCOUNTING KEY REGIONAL 2010 PAGE 5 of 5



Problem Four: One point per bold, 20 points total.

	· · · ·	our. One por	··· po	~		, –	~ r	<i>-</i>	.	~	4												
ACCO	UNT	Payroll Tax Ex	pense													A	4C(COUN	ΙT	N	<u>D.</u> (620	C
Date		Description			С	rec	lit					Е	Balanc	е									
			Ref.													t							
														9	1	5	5						
Jan	13		G3		6	2	7	92						9	7	8	2	92					
				6 2 7 92																			

ACCO	UNT	Federal Unem	oloymer	nt Ta	ax l	Pa	yak	ole							P	ACCO	NUC	ΙT	N). <i>1</i>	220
Date		Description	Post		D	eb)	it			Cre	edit	t				Bala	anc	е			
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																		3	1	8	
Jan	13		G3							3	6	25						3	5	4	25

ACCC	UNT	Medicare Tax	Payable)											Α	CCO	UN	1 T	VС). 2	25
Date		Description	Post			eb)	it			(Cre	dit				Bala	ance)			
			Ref.)ek	it			(Cre	edit	i
																		7	3	1	
Jan	13		G3								6	5						7	9	6	

ACCC	UNT	Social Security	Tax Pa	ayab	<u>le</u>										AC	COL	JNT	- N	Ю.	230)
Date		Description	Post			eb)	it			(Cre	dit				Bala	nce)			
			Ref.)eb	oit			(Cre	edit	
																	2	9	9	7	
Jan	13		G3							2	8	2					3	2	7	9	

ACCO	UNT	State Unemplo	yment ⁻	Гах	Pa	yal	ble								-	٩C	COU	INT	N	Э.	23	5
Date		Description	Post		D	eb	it			(Cre	edi	t				Bala	anc	е			
			Ref.		DODIL										Del	oit			()re	dit	
																		5	1	0	9	
Jan	13		G3							2	4	4	67					5	3	5	3	67
																						1