

PAYROLL ACCOUNTING (125)

—Secondary—

REGIONAL – 2014

Multiple Choice & Short Answer:

Multiple Choice (15 @ 2 points each) _____ (30 points)

Short Answers (24 @ 2 points each) _____ (48 points)

Production:

Job 1: Payroll Register _____ (73 points)

TOTAL POINTS _____ (***151 points***)

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 rates per hour and payroll 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
- 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, SUTA, or FUTA base

Multiple Choice:

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

1. The net pay to employees is commonly known as
 - a. Gross Pay
 - b. Take Home Pay
 - c. Salary Compensation
 - d. Payroll Expense

2. _____ - deductions = Net Pay is a basic formula to determine net pay for each employee for each pay period
 - a. Non-taxable Earnings
 - b. Yearly Earnings
 - c. Gross Earnings
 - d. Cumulative Earnings

3. The form filled out by a new employee to determine the amount of income tax to be withheld from their paycheck
 - a. Form W-2
 - b. Form W-4
 - c. Form 1040
 - d. Form I-9

4. If an employee works 33.5 hours and is paid \$9.13 per hour, how much is their gross pay?
 - a. \$305.85
 - b. \$301.29
 - c. \$305.86
 - d. \$303.57

5. Which group of employees has the highest amount of federal income tax generally withheld?
 - a. Married, 3 exemptions
 - b. Single, 2 exemptions
 - c. Married, 0 exemptions
 - d. Single, 0 exemptions

6. The Employee's Earnings Record shows an employee which of the following information for the year
 - a. Promotions and reviews history
 - b. Who is garnishing wages from them
 - c. Cumulative earnings
 - d. Emergency contacts

7. The payroll register is used to produce
 - a. W-2s
 - b. Employee total wages for the year
 - c. Journal entries for the current payroll period
 - d. 1099s to be issued to vendors

8. Bert has 43 hours in the current payroll period and his hourly wage is \$9.35 per hour. If Bert earns time and a half for all hours over 40, how much is his gross pay?
 - a. \$402.05
 - b. \$416.09
 - c. \$416.06
 - d. \$374.00

9. Social security tax is paid by
 - a. Employee only
 - b. Employer only
 - c. Employee and employer
 - d. Federal government

10. From which of the following are federal income taxes withheld?
 - a. Vacation Pay
 - b. Bonus Pay
 - c. Personal Day Pay
 - d. All of the above

11. Which statement is true
 - a. There will always be federal income tax withheld from every employee
 - b. Employers are only ones that pay the employee's social security tax
 - c. Every time that a payroll occurs, there is a journal entry for the employee's earnings and a journal entry for the employer's payroll tax expense.
 - d. You can choose to never pay any income tax legally

12. FMLA refers to the
 - a. Future and Medical Leave Act
 - b. Family and Medical Leave Act
 - c. Family and Medical Leave Accounting
 - d. None of the above

13. Employees' W-2 amounts are for
 - a. Current calendar year wages paid to the employee
 - b. Current calendar year hours and wages worked by the employee
 - c. Show the amount of non-employee compensation received by the employee
 - d. Show this year and last year's wages paid to the employee.

14. If the maximum amount of taxable wages for Federal Unemployment Tax is \$7,000 per employee and the employer's rate is .8% of this, what is the most an employer will be liable to pay for each employee?
 - a. \$560.00
 - b. \$5.60
 - c. \$56.00
 - d. None of these are correct

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4. You current job pays an annual salary of \$112,630. Assuming you are paid bi-weekly and work a normal 40-hour week, calculate the following.

Earnings per pay period \$ _____

Pay rate per hour \$ _____

5. Using the following time card, calculate the regular, overtime, and total earnings for Gia Nelson. Gia takes a 30 minute lunch period each day she works more than 5 hours. In addition, she is not docked hours or given additional hours for punch-in/out times +/- 6 minutes or less. Her regular work day is 8 am – 4:30 pm and she receives time and a half for all hours over 40 for the week.

| Time Card | | | |
|----------------------------------|--------------|----------------------------|-----------------|
| Employee No. 120765 | | Week Ending March 12, 2013 | |
| Name: Nelson, Gia | | Exemptions: 2 | |
| Social Security No.: 393-65-8821 | | Hourly Rate: \$8.90 | |
| Day | In | Out | Hours |
| Monday | 8:03 AM | 4:33 PM | |
| Tuesday | 7:56 AM | 4:30 PM | |
| Wednesday | 8:15 AM | 5:01 PM | |
| Thursday | 8:00 AM | 6:03 PM | |
| Friday | 8:00 AM | 5:31 PM | |
| Saturday | 9:01 AM | 12:33 PM | |
| | Hours | Rate | Earnings |
| Regular | | | |
| Overtime | | | |
| Totals | | N/A | |

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Problem #1: Payroll Register (73 Points)

Complete the following payroll register for Chickadee Company. All employees are paid weekly at an hourly rate, and Federal Income Tax is withheld at a flat rate of 25% instead of using the taxes.

| Payroll Register | | | | | | | | | | | | |
|-------------------------|-------|------------|-------|------------|-------|-----------------|-----|-----|------------|------------------|--|---------|
| NAME | Reg. | Reg. | OT | OT | Gross | | | | Deductions | | | Net Pay |
| | Hours | Rate | Hours | Rate | Wages | Social Security | Med | FIT | SIT (5%) | Health Insurance | | |
| Johnson | 35 | 12.25 | | | | | | | | 25.00 | | |
| Andrews | 40 | 12.30 | | | | | | | | 60.00 | | |
| Barker | 40 | 9.65 | 5 | | | | | | | | | |
| Benson | 37.5 | 11.45 | | | | | | | | | | |
| O'Mally | 34.5 | 9.65 | | | | | | | | 15.00 | | |
| Severson | 40 | 12.25 | 4.5 | | | | | | | 30.00 | | |
| Smit | 36 | 9.65 | | | | | | | | 5.00 | | |
| Tagert | 38 | 11.45 | | | | | | | | 17.00 | | |
| Wagner | 40 | 12.97 | 3.25 | | | | | | | 50.00 | | |
| TOTALS | | XXX | | XXX | | | | | | | | |



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Production:

Job 1: Payroll Register _____ (73 points)

TOTAL POINTS _____ (*151 points*)

Judges/Graders: Please double check and verify all scores and answer keys!



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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



Multiple Choice: 2 points each.

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

Short Answer: 2 points each answer (48 Points)

1. Regular Salary \$ 1,384.62
 Overtime Rate \$ 25.97
 Overtime Pay \$ 103.88
 Gross Pay \$1,488.50

2.

| Monday | Tuesday | Wednesday | Thursday | Friday | Total Pieces | Total Pay |
|--------|---------|-----------|----------|--------|--------------|-----------|
| 155 | 154 | 164 | 150 | 144 | 767 | 659.62 |

3. \$115,000
5.75 %

4. Earnings per week \$ 4,331.92
 Pay rate per hour \$ 54.15



5.

| Time Card | | | |
|----------------------------------|---------|----------------------------|----------|
| Employee No. 120765 | | Week Ending March 12, 2013 | |
| Name: Nelson, Gia | | Exemptions: 2 | |
| Social Security No.: 393-65-8821 | | Hourly Rate: \$8.90 | |
| Day | In | Out | Hours |
| Monday | 8:01 AM | 4:33 PM | 8 |
| Tuesday | 7:56 AM | 4:32 PM | 8 |
| Wednesday | 7:57 AM | 5:03 PM | 8.25 |
| Thursday | 8:04 AM | 6:03 PM | 9.5 |
| Friday | 8:00 AM | 5:31 PM | 9 |
| Saturday | 9:01 AM | 1:33 PM | 3.5 |
| | Hours | Rate | Earnings |
| Regular | 40 | 8.90 | 356.00 |
| Overtime | 6.25 | 13.35 | 83.44 |
| Totals | 46.25 | No Answer Needed | 439.44 |

Problem #1: 1 Point for Each Highlighted Answer (73 Points).

| Payroll Register | | | | | | | | | | | |
|-------------------------|---------------|------------|--------------|------------|-----------------|---------------|--------------|----------------|---------------|------------------|----------------|
| NAME | Reg. | Reg. | OT | OT | Gross | | | | Deductions | | Net Pay |
| | Hours | Rate | Hours | Rate | Wages | Soc Sec | Med. | FIT | SIT (5%) | Health Insurance | |
| Johnson | 35 | 12.25 | | | 428.75 | 26.58 | 6.22 | 107.19 | 21.44 | 25.00 | 242.32 |
| Andrews | 40 | 12.30 | | | 492.00 | 30.50 | 7.13 | 123.00 | 24.60 | 60.00 | 246.77 |
| Barker | 40 | 9.65 | 5 | 14.48 | 458.40 | 28.42 | 6.65 | 114.60 | 22.92 | | 285.81 |
| Benson | 37.5 | 11.45 | | | 429.38 | 26.62 | 6.23 | 107.35 | 21.47 | | 267.71 |
| O'Mally | 34.5 | 9.65 | | | 332.93 | 20.64 | 4.83 | 83.23 | 16.65 | 15.00 | 192.58 |
| Severson | 40 | 12.25 | 4.5 | 18.38 | 572.71 | 35.51 | 8.30 | 143.18 | 28.64 | 30.00 | 327.08 |
| Smit | 36 | 9.65 | | | 347.40 | 21.54 | 5.04 | 86.85 | 17.37 | 5.00 | 211.60 |
| Tagert | 38 | 11.45 | | | 435.10 | 26.98 | 6.31 | 108.78 | 21.76 | 17.00 | 254.27 |
| Wagner | 40 | 12.97 | 3.25 | 19.46 | 582.05 | 36.09 | 8.44 | 145.51 | 29.10 | 50.00 | 312.91 |
| TOTALS | 341.00 | XXX | 12.75 | XXX | 4,078.72 | 252.88 | 59.15 | 1019.69 | 203.95 | 202.00 | 2341.05 |