13 Pages	
Regional Test 2013	

Contestant Number
Time
Rank

# **PAYROLL ACCOUNTING (04)**

# Regional – 2013

Multiple Choice &	Short Answer	Section:
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TOTAL POINTS	(148 points)
Problem 3: Payroll Tax Expense Entry	(13 pts.)
Problem 2: Salary Expense Entry	(15 pts.)
Production Portion Section: Problem 1: Time Card	(40 pts.)
Short Answers (25 @ 2 points each)	(50 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 on the first \$100,000 in wages
- 1.45% for Medicare Tax for all wages
- 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 unless otherwise indicated.

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#### **Multiple Choice:**

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

- 1. Take home pay commonly known as
  - a. Gross Pay
  - b. Net 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. This form is known as the Wage & Tax Statement
  - a. Form I-9
  - b. Form W-4
  - c. Form 1040
  - d. Form W-2
- 4. Old Age & Survivor's Disability Insurance Tax is also called
  - a. Federal Income Tax
  - b. Medicare Tax
  - c. State Income Tax
  - d. Social Security Tax
- 5. FIT is the acronym for
  - a. Social Security Tax
  - b. Federal Income Tax
  - c. Unemployment Tax
  - d. Medicare Tax
- 6. The Employee's Earnings Record has all the Employee's yearly information except
  - a. Pay check amounts for each payroll period
  - b. Total Yearly Deductions
  - c. Cumulative gross pay for the year
  - d. Non Employee's 1099MISC
- 7. The Payroll Register is primarily used for
  - a. Completing Form 940
  - b. Completing Form 941
  - c. Pay Period Journal Entries
  - d. Cumulative deductions for employees

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- 8. An employee who does not fill out a Form W-4 will be treated as (for Federal Income Tax deduction purposes)
  - a. Married with 0 allowances
  - b. Single with 0 allowances
  - c. Married with 1 allowance
  - d. Single with 1 allowance
- The fewer allowances an employee claims, the \_\_\_\_\_\_
  - a. Higher their Gross Pay will be
  - b. Lower their Gross Pay will be
  - c. More Federal Income Taxes will be withheld
  - d. Less Federal Income Taxes will be withheld
- 10. Which of the following is a mandated benefit for employees
  - a. Personal Day compensation
  - b. Double-time pay for Federal Holidays
  - c. Unemployment Insurance
  - d. None are mandated benefits
- 11. The Civil Rights Act of 1964 is entitled
  - a. American Employment Opportunities
  - b. United States Employment Opportunities
  - c. Equal Employment Opportunity Act
  - d. Equal Pay for Equal Work Act
- 12. The 1986 law that prevents employers from hiring and retaining unauthorized aliens for work is
  - a. SECA
  - b. IRCA
  - c. FMLA
  - d. FICA
- 13. Employers must issue W-2s to employees on or before
  - a. December 31 of the current year
  - b. January 1 of the following year
  - c. January 15 of the following year
  - d. January 31 of the following year
- 14. If an employee earns \$6,000 for the calendar year, the FUTA liability for the employer would be
  - a. \$ 48.00
  - b. \$ 52.00
  - c. \$ 56.00
  - d. None of these are correct
- 15. Which of following taxes do not have taxable maximum dollar amounts for employers?
  - a. Federal Unemployment Tax
  - b. State Unemployment Tax
  - c. Social Security Tax
  - d. Medicare Insurance

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# Short Answer:

1.	any hours	worked ove	r 80 in a biwee	kly period. D	Ouring the	d is paid time and payroll period, he or the biweekly p	e had 5
	Reg	gular Salary	1	\$			
	Ove	ertime Rate	\$				
	Ove	ertime Pay		\$			
	Gro	ss Pay		\$			
2.	\$10.50 per produced of	hour. Ginn over 150 sh	y is expected to e receives an i	o produce 15 ncentive of \$	0 units pe 1.55 per υ	ays. Her hourly ra er day. For every init and is not doo inits in her 40 ho	unit cked pay for
	Monday	Tuesday	Wednesday	Thursday	Friday	Total Regular Pay	Incentive Pay
	155	154	164	150	144	•	•
3.	\$ Jeff Ellenso quota. His all sales at	on is a sala quota for s	ales is \$2,700,	on with a bor 000 per year arly sales are	nus incent . At his p	ive plan for sales resent position he 00 with a base s	e gets 5% on
	\$						
	base salar	y (just comr	nission on sale	es) what % co	mmission	ame amount of s must he receive mple X.XX%)?	ales but no in order to
		%					

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4.	Your current job paid you gross pay of \$565.46 for a 46 hour work week. If you are an
	hourly paid employee that received time and a half for all hours over 40 in a work week,
	calculate your regular rate of pay and your overtime rate of pay?

Regular pay rate	\$ per hour
Overtime pay rate	\$ per hour

5. Using the following time card, calculate the regular, overtime, and total earnings for Glenn Newsome. Glenn takes a 30 minute lunch period each day he works more than 5 hours. In addition, he is not docked hours or given additional hours for punch-in times +/-6 minutes or less. His regular work day is 8am – 4:30pm.

Time Card								
Employee No. 120765	j	Week Ending March 12, 2012						
Name: Newsome, Gle	nn		tions: 2					
Social Security No.: 39	93-65-8821	Hourly	Rate: \$10.60					
Day	In	Out	Hours					
Monday	8:01 AM	4:33 PM						
Tuesday	7:56 AM	4:32 PM						
Wednesday	7:57 AM	5:03 PM						
Thursday	8:04 AM	6:03 PM						
Friday	8:00 AM	5:31 PM						
Saturday	9:01 AM	1:33 РМ						
	Hours	Rate	Earnings					
Regular								
Overtime								
Totals		N/A						

#### Problem #1

Use the information below to complete the first quarter Employee Earnings Record for Jim Bodis. Jim is a department manager and he is a 40 hour per week salaried employee that is paid on a weekly basis. His social security number is 393-66-8233. Complete the Employee's Earnings Record report for the 13<sup>th</sup> weekly pay period ended March 26, 2011. Federal income tax is withheld at a rate of 10% of gross earnings for Jim.

				Earr	nings	Deduc	ctions
Employee	Employee	Marital	No. of	Regular	Overtime	United	Health
No.	Name	Status	Allowances			Way	Insurance
						Deduction	
144668	Bodis, Jim	М	0	\$650.00		\$15.00	

		EAI	RNINGS R	ECORD	FOR QU	ARTER E	ENDED				
Emr	olovee No	)				N	Iarital Statu	s V	Vithholo	ling Allow	ances
r	,		Last Nam	ie	First 1						
Rate	of Pay_	/\	Week Soc	ial Securi	ity No			Pos	sition		
Pay	Period		Earnings		Deductions				Accumulated		
_											Earnings
											7,800.00
No	Ended	Regular	Overtime	Total	Federal	Social	Medicare	Un.	Total	Net Pay	Y-T-D
					Income	Security	Tax	Way			Earnings
					Tax	Tax					_

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# Problem #2

Journalize the payment of the March 26<sup>th</sup> payroll on Page 6 of the General Journal provided for this newly formed business (this is the first payroll).

THIS HOWLY I	Payroll Register										
	Total Earnings			Deductions			Net Paid				
NAME		OASDI	НІ	FIT	Group Ins.	401K	Ck. No.	Amount			
Payroll per	iod ending Mar	rch 26th, 201	1								
Jones	3,200.00	198.40	46.40	156.00	15.00		1672				
Nelson	2,260.00	140.12	32.77	160.00	15.00	140.00	1673				
Smith	960.00	59.52	13.92	76.00	15.00		1674				
Fredricks	1,300.00	80.60	18.85	50.00	15.00		1675				
O'Brien	2,100.00	130.20	30.45	210.00	15.00	150.00	1676				
Chance	800.00	49.60	11.60	73.00	15.00		1677				
Nevers	3,000.00	186.00	43.50	90.00	15.00	60.00	1678				
Thomas	1,900.00	117.80	27.55	198.00	15.00		1679				
Williams	1,350.00	83.70	19.58	137.00	15.00	75.00	1680				
TOTALS											

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Date	Account Title	Doc No.	Post Ref.	I	Debit			Credit			

# Problem #3

Using the information provided in Problem #2, journalize the Employer's Payroll Taxes on Page 7 of the General Journal provided. The employer matches all 401K deductions at a rate of 10% of the employee's contribution, the account used to accrue this liability is *ER 401K Match Payable*.

# **GENERAL JOURNAL**

Page \_\_\_\_7\_\_\_

Date		Account Title	Doc No.	Post Ref.	Debit							
									Credit			