

PAYROLL ACCOUNTING

(125)

—Secondary—

REGIONAL – 2015

Multiple Choice & Short Answer Section:

Multiple Choice (10 @ 2 points each) _____ (20 points)

Short Answers (23 @ 2 points each) _____ (46 points)

Production Portion:

Job 1: Time Cards (1 point each) _____ (40 points)

Job 2: Journalize Payroll Transactions (1 point each) _____ (29 points)

TOTAL POINTS _____ (**135 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 calculations to two decimals
- Assume employees earn overtime for any hours worked over 40 in a week unless otherwise instructed
- All time calculations are rounded to the nearest quarter hour
- Use 6.0% for Social Security Tax on the first \$100,000 in wages
- Use 1.45% for Medicare Tax for all wages
- Use 5.4% for State Unemployment Tax and 0.8% (\$7,000 ceiling) 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

Multiple Choice: Identify the letter of the choice that best completes the statement or answers the question.

- _____ 1. When can an employee claim tax-exempt?
- a. Never
 - b. No tax liability last year and expects none this year
 - c. Anytime
 - d. Employee is claimed on someone else's tax return
- _____ 2. Which of these would result in the most taxes taken out of a paycheck?
- a. Single with one allowance
 - b. Married with no allowances
 - c. Single with no allowances
 - d. Married with four allowances
- _____ 3. How many paychecks in a year will a person receive if he/she gets paid semi-monthly?
- a. 12
 - b. 24
 - c. 26
 - d. 52
- _____ 4. If Scott works 43 hours in a week (weekly pay period) and is paid \$10.26 per hour, what will be his gross pay?
- a. \$441.18
 - b. \$410.40
 - c. \$456.57
 - d. Not enough information to figure
- _____ 5. The money paid for employee services is called
- a. Salary
 - b. Payroll
 - c. Gross pay
 - d. Net pay
- _____ 6. The hospital insurance portion of OASDI (FICA) is financed by
- a. Federal income tax
 - b. Medicare tax
 - c. Medicaid
 - d. Social security tax
- _____ 7. Federal law requires employers to pay _____ for overtime.
- a. 1.5 times their hourly wage
 - b. 2.0 times their hourly wage
 - c. 0.5 times their hourly wage
 - d. There is no requirement

- _____ 8. A business form used to record payroll information is called a(n)
 - a. Employee Earnings record
 - b. 941 Form
 - c. Payroll Register
 - d. Payroll Ledger

- _____ 9. The employer and employee each must pay
 - a. Federal and state income tax
 - b. Unemployment taxes
 - c. Social security tax and Medicare tax
 - d. Different taxes

- _____ 10. Which form needs to be filled out to tell the employer how much tax should be taken out?
 - a. I9
 - b. W-2
 - c. W-4
 - d. 941

Short Answer: (two points per blank)

- 1. Thomas Lasorda works for Philly Pizzeria and is paid biweekly. His annual salary is \$45,650 and he is paid time and a half for any hours worked over 80 in a biweekly period. During this payroll period, Thomas worked 3 hours of overtime. Calculate his regular pay, overtime rate, overtime pay, and gross pay for the time period.

Regular salary for biweekly period _____
Overtime Rate _____
Overtime Pay _____
Gross Pay _____

- 2. Matilda received her paycheck and was surprised that it was not the amount that she thought it would be. She worked 27 hours this past week and is paid \$9.50 per hour. She is exempt from paying federal and state income taxes but must pay social security and Medicare tax. Calculate her gross pay, social security tax, Medicare tax, and net pay.

Gross Pay _____
Social Security Tax _____
Medicare Tax _____
Net Pay _____

3. Pedro Gutierrez is paid an hourly rate of \$10.25 and works 8 hours per day. Pedro also receives an incentive of \$0.78 per item he assembles over 120 units in any given work day. He is not penalized for anytime he does not reach 120 units per day. Calculate Pedro’s regular pay, his incentive pay, and his gross pay for the week. Pedro’s production per day are as follows:

Monday	Tuesday	Wednesday	Thursday	Friday	Total Regular Pay ↓	Total Incentive Pay ↓	Gross Pay ↓
176	152	119	127	133			

4. Lin is a salesperson at a local clothing store. She is paid \$7.25 per hour and receives 1.59% commission on any weekly sales over \$250. If Lin worked 23 hours this past week and her sales totaled \$936, calculate her regular earnings, her commission earnings and her total earnings for the week.

Regular earnings _____

Commission earnings _____

Total earnings _____

5. Calculate the following employer payroll taxes for Professional Business Associates. Total salary for employees for the pay period was \$62,325.81. List the correct tax account name in the column for employer tax and the dollar amount for the pay period in the column “amount of tax.” No employee has reached the tax ceiling.

Employer Tax	Amount of Tax

6. Vilma is a sales manager and earns commission only (5.25%) based on her department's net sales. She gets paid once a month. If gross sales for her department were \$93,000, returns and allowances were \$3,500 and sales discounts amounted to \$1,250, calculate her gross earnings for the month.
-

Production Jobs

JOB 1: Time Cards (one point each answer - 40 pts)

Complete the hours worked for each day during the two-week time period for these two employees. Calculate the regular hours worked, overtime hours worked, total hours worked, regular amount of pay, overtime rate of pay, overtime pay, and total earnings.

Employee No. 1
 Name: Jason Smith
 Pay Period Ended: December 20, 20xx

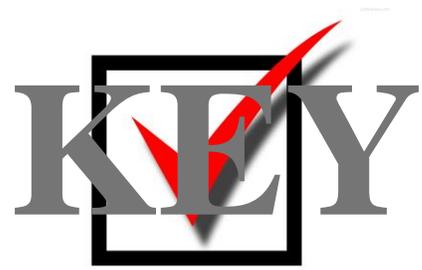
Morning		Afternoon		Overtime		Hours	
IN	OUT	IN	OUT	IN	OUT	REG	OT
7:58	11:59	1:02	5:04				
8:02	11:56	12:59	4:58	5:00	6:32		
8:01	12:04	1:05	5:02				
8:03	11:57	1:01	5:02	5:03	6:01		
7:56	11:55	1:02	5:01				
7:59	12:01	1:01	5:02				
8:03	11:57	1:07	5:05				
8:00	12:00	1:00	5:00	6:33	8:05		
8:02	12:01	1:01	5:03				
7:57	11:56	1:00	5:01				

	Hours	Rate	Amt of Pay
Regular		9.35	
Overtime			
Total Hours		Total Earnings	

Employee No. 2
 Name: Kelsi James
 Pay Period Ended: December 20, 20xx

Morning		Afternoon		Overtime		Hours	
IN	OUT	IN	OUT	IN	OUT	REG	OT
7:59	1:01	2:03	5:01	5:30	7:02		
8:02	12:01	1:02	5:02				
7:56	11:57	12:59	5:03				
8:00	12:00	1:00	5:00	5:30	7:03		
8:01	12:02	1:03	5:05				
7:57	11:58	1:01	5:05				
8:02	12:01	1:04	4:59				
7:58	11:59	1:02	5:00				
8:04	12:04	1:01	5:02				
8:01	12:02	2:04	6:00	6:01	7:33		

	Hours	Rate	Amt of Pay
Regular		9.75	
Overtime			
Total Hours		Total Earnings	



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Multiple Choice & Short Answer:

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Short Answer (23 @ 2 points each) _____ (46 points)

Production:

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TOTAL POINTS _____ (*135 points*)

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

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General Instructions

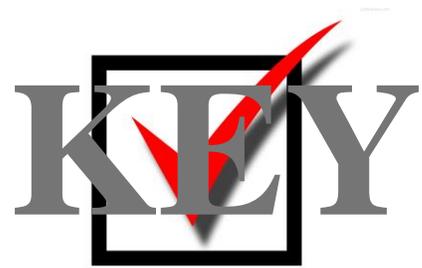
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Multiple Choice: (two points each answer – 20 points)

1. B
2. C
3. B
4. C
5. A
6. B
7. A
8. C
9. C
10. C

Short Answer: (two points each answer – 46 points)

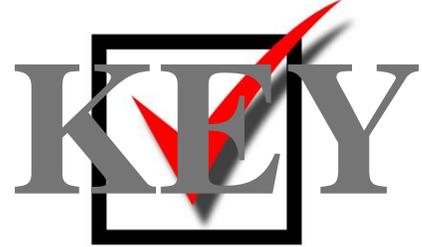
1. Regular salary for biweekly period \$1,755.77
 Overtime Rate \$32.93
 Overtime Pay \$98.79
 Gross Pay \$1,854.56

2. Gross Pay \$256.50
 Social Security Tax \$15.39
 Medicare Tax \$3.72
 Net Pay \$237.39

3.

Monday	Tuesday	Wednesday	Thursday	Friday	Total Regular Pay	Total Incentive Pay	Gross Pay
176	152	119	127	133	\$410.00	\$84.24	\$494.24

4. Regular earnings \$166.75
 Commission earnings \$10.91
 Total earnings \$177.66



5.

Employer Tax	Amount of tax
Social Security Tax Payable	\$3,739.55
Medicare Tax Payable	\$903.72
Unemployment Tax Payable-Federal	\$498.61
Unemployment Tax Payable-State	\$3,365.59

6. \$4,633.13

Production Jobs

JOB 1: Time Cards (one point each answer - 40 points)

Employee No. 1
 Name: Jason Smith
 Pay Period Ended: December 20, 20xx

Morning		Afternoon		Overtime		Hours	
IN	OUT	IN	OUT	IN	OUT	REG	OT
7:58	11:59	1:02	5:04			8	
8:02	11:56	12:59	4:58	5:00	6:32	8	1.5
8:01	12:04	1:05	5:02			8	
8:03	11:57	1:01	5:02	5:03	6:01	8	1
7:56	11:55	1:02	5:01			8	
7:59	12:01	1:01	5:02			8	
8:03	11:57	1:07	5:05			8	
8:00	12:00	1:00	5:00	6:33	8:05	8	1.5
8:02	12:01	1:01	5:03			8	
7:57	11:56	1:00	5:01			8	

	Hours	Rate	Amt of Pay
Regular	80	9.35	748.00
Overtime	4	14.03	56.12
Total Hours	84	Total Earnings	804.12

Employee No. 2
 Name: Kelsi James
 Pay Period Ended: December 20, 20xx

Morning		Afternoon		Overtime		Hours	
IN	OUT	IN	OUT	IN	OUT	REG	OT
7:59	1:01	2:03	5:01	5:30	7:02	8	1.5
8:02	12:01	1:02	5:02			8	
7:56	11:57	12:59	5:03			8	
8:00	12:00	1:00	5:00	5:30	7:03	8	1.5
8:01	12:02	1:03	5:05			8	
7:57	11:58	1:01	5:05			8	
8:02	12:01	1:04	4:59			8	
7:58	11:59	1:02	5:00			8	
8:04	12:04	1:01	5:02			8	
8:01	12:02	2:04	6:00	6:01	7:33	8	1.5

	Hours	Rate	Amt of Pay
Regular	80	9.75	780.00
Overtime	4.5	14.63	65.84
Total Hours	84.5	Total Earnings	845.84

