

# PAYROLL ACCOUNTING (125)

—Secondary—

## REGIONAL – 2016

### Multiple Choice & Short Answer Section:

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

Short Answers (11 @ 2 points each) \_\_\_\_\_ (22 points)

### Production Section:

Job 1: Pay Conversion \_\_\_\_\_ (21 points)

Job 2: Payroll Register \_\_\_\_\_ (35 points)

Job 3: Time Card \_\_\_\_\_ (13 points)

***TOTAL POINTS*** \_\_\_\_\_ (***121 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

Property of Business Professionals of America.  
May be reproduced only for use in the Business Professionals of America  
*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.

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 at time-and-a-half for any hours worked over 40 in a week unless otherwise instructed
- All time calculations are rounded to the nearest quarter hour
- Use 6.2% 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. (2 points each)*

1. Which of the following is *not* considered a required deduction?
  - a. federal income tax
  - b. savings deposits
  - c. state tax
  - d. Social Security tax
2. Unemployment taxes are paid by \_\_\_\_\_.
  - a. the employee
  - b. the employer
  - c. both the employee and employer
  - d. the federal government
3. Paying the unemployment tax is journalized by \_\_\_\_\_.
  - a. debiting the unemployment tax and crediting cash
  - b. debiting cash and crediting the unemployment tax
  - c. debiting the unemployment tax and crediting accounts payable
  - d. debiting payroll tax expense and crediting the unemployment tax
4. All of the following are voluntary withholdings *except* \_\_\_\_\_.
  - a. union dues
  - b. charitable contributions
  - c. insurance premiums
  - d. Medicare tax
5. Employers must mail out W-2 forms by \_\_\_\_\_.
  - a. January 15
  - b. January 31
  - c. April 15
  - d. April 30
6. The form filled out by a new employee to determine the amount of income tax to be withheld from their paycheck is \_\_\_\_\_.
  - a. Form I-9
  - b. Form 1040
  - c. Form W-2
  - d. Form W-4
7. If an employee works 35.5 hours and is paid \$9.25 per hour, how much is their gross pay?
  - a. \$382.83
  - b. \$328.83
  - c. \$328.38
  - d. \$382.38
8. Of the following employees, who would have the highest amount of federal income tax withheld?
  - a. Married, 3 exemptions
  - b. Single, 2 exemptions
  - c. Married, 0 exemptions
  - d. Single, 0 exemptions

9. If you are paid bi-weekly, you would receive \_\_\_\_\_ paychecks in a year.
- 12
  - 18
  - 24
  - 26
10. If Tom's regular bi-weekly earnings are \$1,847 for a regular pay period, what is his overtime rate?
- \$23.08
  - \$34.64
  - \$34.63
  - \$23.09
11. If Kennedy worked 46 hours and her regular rate of pay is \$7.50, what was her total gross pay?
- \$367.50
  - \$300.00
  - \$67.50
  - \$345.00
12. Annie makes an annual salary of \$36,500 and is paid bi-monthly. What is her gross pay for each pay period?
- \$3,041.67
  - \$1,520.83
  - \$1,403.85
  - \$2,027.78
13. The total tax rate for self-employment tax is \_\_\_\_\_ percent of gross income.
- 6.2%
  - 12.4%
  - 15.3%
  - 30.6%
14. The FICA tax consists of both \_\_\_\_\_.
- Social Security and Medicare taxes
  - Social Security and Federal Income taxes
  - Federal Income and Medicare taxes
  - Federal Income and State Income taxes
15. Wages, hours worked, and safety for minors in the workplace are set by \_\_\_\_\_?
- Occupational Safety and Health Administration (OSHA)
  - Fair Labor Standards Act (FLSA)
  - Department of Labor (DOL)
  - Fair Wage and Tax Law (FWTL)

**Short Answer: (11 @ 2 point each = 22 points)**

---

1. Vincent O'Malley worked the following schedule this week: Monday-8 hours, Tuesday-6 hours, Wednesday-7 hours, Thursday-6 hours, Friday-5 hours. He was paid \$9 an hour. How many hours did Vincent work and what was his gross pay?
  - a. Hours worked \_\_\_\_\_
  - b. Gross pay \_\_\_\_\_
  
2. Sandy Johnson is paid a commission of 12% on all sales above \$7,000 for the week. She is also paid a weekly salary of \$380. Calculate Sandy's commission and her total earnings for a week in which her sales were \$9,800.
  - a. Commission \_\_\_\_\_
  - b. Total earnings \_\_\_\_\_
  
3. Amber's starting salary with her new job will be \$35,500 a year. How much will she pay for Social Security and Medicare tax for the year?
  - a. Social Security \_\_\_\_\_
  - b. Medicare \_\_\_\_\_
  
4. Jeff is paid solely on commission. He is paid 10% commission on the first \$30,000 of sales in a month, and 15% for anything above sales of \$30,000 in a month. Calculate how much Jeff made for the first quarter of the year. January sales were \$37,500. February was \$45,000 and March sales were \$52,500.
  - a. January commission \_\_\_\_\_
  - b. February commission \_\_\_\_\_
  - c. March commission \_\_\_\_\_
  - d. Total 1<sup>st</sup> quarter earnings \_\_\_\_\_
  - e. Average monthly income \_\_\_\_\_



**Job 3: Time Card** (1 point each blank—13 points)

Using the following time card, calculate the regular, overtime, and total earnings for Alexis Martin. Alexis takes a 30 minute unpaid lunch period each day she works more than 5 hours. 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.

| <b>Time Card</b>                 |              |                            |                 |
|----------------------------------|--------------|----------------------------|-----------------|
| Employee No. 120765              |              | Week Ending April 22, 2016 |                 |
| Name: Martin, Alexis             |              | Exemptions: 2              |                 |
| Social Security No.: 123-45-6789 |              | Hourly Rate: \$9.60        |                 |
| <b>Day</b>                       | <b>In</b>    | <b>Out</b>                 | <b>Hours</b>    |
| 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                   |                 |
|                                  | <b>Hours</b> | <b>Rate</b>                | <b>Earnings</b> |
| Regular                          |              | \$9.60                     |                 |
| Overtime                         |              |                            |                 |
| Totals                           |              | N/A                        |                 |



# PAYROLL ACCOUNTING (125)

—Secondary—

REGIONAL – 2016

**Multiple Choice & Short Answer:**

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

Short Answers (11 @ 2 points each) \_\_\_\_\_ (22 points)

**Production:**

Job 1: Pay Conversion \_\_\_\_\_ (21 points)

Job 2: Payroll Register \_\_\_\_\_ (35 points)

Job 3: Time Card \_\_\_\_\_ (13 points)

***TOTAL POINTS*** \_\_\_\_\_ (***121 points***)

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





**PAYROLL ACCOUNTING (S) - REGIONAL 2016**  
**ANSWER KEY**  
Page 2 of 3

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

| <b>Short Answer (2<br/>points each)</b> |                  |
|---|------------------|
| 1a.                                     | <b>32</b>        |
| b.                                      | <b>288</b>       |
| 2a.                                     | <b>336</b>       |
| b.                                      | <b>716</b>       |
| 3a.                                     | <b>2,201.00</b>  |
| b.                                      | <b>514.75</b>    |
| 4a.                                     | <b>4,125.00</b>  |
| b.                                      | <b>5,250.00</b>  |
| c.                                      | <b>6,375.00</b>  |
| d.                                      | <b>15,750.00</b> |
| e.                                      | <b>5,250.00</b>  |

**Job 1: Pay Conversion (1 point for each shaded answer – 21 points)**

| <b>Frequency</b> | <b>Amount</b> | <b>Weekly Rate</b> | <b>Hourly Rate</b> | <b>OT Hourly Rate</b> |
|------------------|---------------|--------------------|--------------------|-----------------------|
| Semi-Monthly     | \$1,345.00    | <b>\$620.77</b>    | <b>\$15.52</b>     | <b>\$23.28</b>        |
| Bi-Weekly        | \$1,455.00    | <b>\$727.50</b>    | <b>\$18.19</b>     | <b>\$27.29</b>        |
| Monthly          | \$4,022.00    | <b>\$928.15</b>    | <b>\$23.20</b>     | <b>\$34.80</b>        |
| Semi-Monthly     | \$2,111.00    | <b>\$974.31</b>    | <b>\$24.36</b>     | <b>\$36.54</b>        |
| Bi-Weekly        | \$2,667.00    | <b>\$1,333.50</b>  | <b>\$33.34</b>     | <b>\$50.01</b>        |
| Monthly          | \$11,522.00   | <b>\$2,658.92</b>  | <b>\$66.47</b>     | <b>\$99.71</b>        |
| Quarterly        | \$17,445.00   | <b>\$1,341.92</b>  | <b>\$33.55</b>     | <b>\$50.33</b>        |



**Job 2: Register (1 point each shaded answer - 35 points)**

| Employee      | Earnings    |            |             | Federal Inc Tax | State Inc Tax | Soc Sec. Tax  | Medicare Tax | Health Insurance | Total Deductions | Net Pay        |
|---------------|-------------|------------|-------------|-----------------|---------------|---------------|--------------|------------------|------------------|----------------|
|               | Regular     | Overtime   | Total       |                 |               |               |              |                  |                  |                |
| 1             | 950         | 0          | 950         | 95              | 56            | 58.90         | 13.78        | 125              | 348.68           | 601.32         |
| 2             | 780         | 60         | 840         | 80              | 44            | 52.08         | 12.18        | 80               | 268.26           | 571.74         |
| 3             | 890         | 125        | 1015        | 72              | 38            | 62.93         | 14.72        | 95               | 282.65           | 732.35         |
| 4             | 725         | 0          | 725         | 68              | 32            | 44.95         | 10.51        | 50               | 205.46           | 519.54         |
| 5             | 1100        | 175        | 1275        | 92              | 53            | 79.05         | 18.49        | 150              | 392.54           | 882.46         |
| <b>TOTALS</b> | <b>4445</b> | <b>360</b> | <b>4805</b> | <b>407</b>      | <b>223</b>    | <b>297.91</b> | <b>69.68</b> | <b>500</b>       | <b>1497.59</b>   | <b>3307.41</b> |

**Job 3: Time Card (1 point each shaded answer - 13 points)**

| <b>Time Card</b>                 |               |                            |             |
|----------------------------------|---------------|----------------------------|-------------|
| Employee No. 120765              |               | Week Ending April 22, 2016 |             |
| Name: Martin, Alexis             |               | Exemptions: 2              |             |
| Social Security No.: 123-45-6789 |               | Hourly Rate: \$9.60        |             |
| Day                              | In            | Out                        | Hours       |
| Monday                           | 8:03 AM       | 4:33 PM                    | 8           |
| Tuesday                          | 7:56 AM       | 4:30 PM                    | 8           |
| Wednesday                        | 8:15 AM       | 5:01 PM                    | 8.25 or 8 ¼ |
| Thursday                         | 8:00 AM       | 6:03 PM                    | 9.5 or 9 ½  |
| Friday                           | 8:00 AM       | 5:31 PM                    | 9           |
| Saturday                         | 9:01 AM       | 12:33 PM                   | 3.5 or 3 ½  |
|                                  | Hours         | Rate                       | Earnings    |
| Regular                          | 40            | 9.60                       | 384         |
| Overtime                         | 6.25 or 6 ¼   | 14.40                      | 90          |
| Totals                           | 46.25 or 46 ¼ | N/A                        | 474         |