

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

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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.

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 1st 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.

Time Card			
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	
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		\$9.60	
Overtime			
Totals		N/A	



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Production:

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TOTAL POINTS _____ (***121 points***)

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

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ANSWER KEY
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Multiple Choice (2 points each)	
1.	B
2.	B
3.	A
4.	D
5.	B
6.	D
7.	C
8.	D
9.	D
10.	B
11.	A
12.	B
13.	C
14.	A
15.	B

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

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

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



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
TOTALS	4445	360	4805	407	223	297.91	69.68	500	1497.59	3307.41

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

Time Card			
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