

9 Pages
5 Pages of Tax Tables (35-39)

Contestant Number _____

Total Work Time _____

Rank _____

PAYROLL ACCOUNTING (04)

Regional—2005

Multiple Choice (9 @ 5 pts each) _____ (45 pts.)

Short Answer (10 @ 5 pts. each) _____ (50 pts.)

Application

Problem 1—Salary (12 @ 2 pts each) _____ (24 pts.)

Problem 2—Time Card (14 @ 2 pts each) _____ (28 pts.)

Problem 3—Employee Earnings Record _____ (18 pts.)

Problem 4—Weekly Payroll _____ (87 pts.)

TOTAL POINTS _____ (252)

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.***

Maximum test time is 90 minutes

NOTE: The administrator should allow time for orientation, instructions, warm-up, checking equipment, etc., before starting test time.

Do **NOT** open test booklet until instructed to do so.

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Workplace Skills Assessment Program regional competition.

GENERAL INSTRUCTIONS

Assumptions to make when taking this assessment:

- Round all calculations to two decimal places
- Round each step of the problem
- Assume employees earn overtime for any hours worked over 40 in a week unless otherwise directed
- All time calculations are rounded to the nearest quarter hour
- Income Tax Withholding Tables are provided at the end of the test.
- Use 7.65% for calculations of Social Security Tax.

Write your contestant number in the upper right-hand corner of each page. Staple all pages in order before you turn in your test.

Multiple Choice: Select the best answer for the following questions and mark it on your Scantron.

1. Employee regular earnings are calculated as _____.
 - a. regular hours times regular rate
 - b. total hours divided by regular rate
 - c. total hours plus overtime rate
 - d. overtime hours minus overtime rate

2. Federal income tax is withheld from employee earnings _____.
 - a. only in those states electing to do so
 - b. in all states with over 10,000 population
 - c. only in states where a state income tax is levied
 - d. in all 50 states

3. The withholding allowances of an employee affect _____.
 - a. social security tax withheld
 - b. federal income tax withheld
 - c. federal unemployment tax owed
 - d. state unemployment tax owed

4. Each employee name is listed in a payroll register along with _____.
 - a. employee number
 - b. marital status
 - c. withholding allowances
 - d. all of these

5. The total earnings paid to an employee after payroll taxes and other deductions is recorded in the _____.
 - a. Gross Pay column
 - b. Total Earnings column
 - c. Net Pay column
 - d. Total Deductions column

6. The employer annual report to employees of taxes withheld is reported on the _____.
 - a. W-4
 - b. W-2
 - c. 1099-INT
 - d. Form 941

7. A business form used to record details affecting payments made to an employee is _____.
 - a. an employee earnings record
 - b. a payroll journal
 - c. an employee accounts payable record
 - d. a tax withholding form

8. The Accumulated Earnings column of the employee earnings record _____.
 - a. shows net pay for the year
 - b. is the total earnings since the first of the year
 - c. shows net pay for one quarter
 - d. is the gross earnings for one quarter

9. The amount on the employee earnings record used to determine if certain payroll taxes apply to an employee's earnings is _____.
 - a. net pay
 - b. accumulated earnings
 - c. gross earnings
 - d. social security taxes

Short Answer

1. As an electronics technician, Laura Kale earns \$10.92 per hour. She earns double time for work on Sundays. Last week Laura worked 38 regular hours plus 5 hours on Sunday. What was her total pay for the week?

2. Ken Douglas is a truck driver. He earns \$17.65 per hour. He worked 40 hours last week. What is his straight-time pay?

3. You are a computer technician for Data Control Company. You earn a regular hourly rate of \$10.40. You earn time and a half for overtime work on Saturdays and double time on Sundays. This week you worked 38 hours from Monday through Friday, 8 hours on Saturday, and 5 hours on Sunday. What is your total pay for the week?

4. Frank Holmes delivers newspapers for Farmland News. He is paid 13 cents for every daily paper he delivers and 22 cents for every Sunday paper. What is Frank's pay for a week in which he delivers 574 daily papers and 165 Sunday papers?

5. You work in the upholstery department of a furniture factory. You are trained to upholster couches, loveseats, and chairs. You receive \$105 for each couch, \$85 for each loveseat, and \$65 for each chair. During the last 4 weeks you upholstered 5 couches, 6 loveseats, and 5 chairs.
What is your total pay for the 4 weeks?

6. If you worked 160 hours, what was your hourly rate?

7. Debra Arthur earns a weekly salary of \$372 at All Sports. Next month she will be promoted from assistant buyer to head buyer. In her new position she will be paid \$831.33 semimonthly. How much more per year will Debra earn as a head buyer than as assistant buyer?

8. Your annual salary is \$28,460. The state tax rate is 3.6% of taxable income. The city tax rate is 1.7 % of gross pay. Medical and group life insurance is completely paid by the company. Social security is withheld. Your union dues are \$156 per year. FIT is \$90 per pay period. What is your net pay for each weekly pay period?

9. You are paid a commission plus \$3.40 per hour with time-and-a-half overtime for all hours over 8 per day. Your commission consists of 4% of the first \$3000 in sales and 5% on all sales over \$3000. Find your gross pay for a week in which you worked 9 hours on Monday, 8 hours on Tuesday, 11 hours on Wednesday, 9 hours on Thursday, 10 hours on Friday, and 8 hours on Saturday. Your total sales for the week were \$4115.

10. You are a locksmith and earn \$18.80 an hour for a regular 40-hour week with time and a half for overtime. The state tax rate is 4.5% of taxable income. The medical insurance costs \$1560 a year, of which your employer pays 75% of the costs. Term life insurance costs \$195 a year, of which the company pays 50%. Social security is withheld. What is your net pay for a week in which you worked 44 hours, if your federal income tax withholding is \$127.00?

Problem 1—Salary

For each annual salary, find the equivalent monthly and weekly salary to the nearest cent.

ANNUAL SALARY	MONTHLY SALARY	WEEKLY SALARY
\$42,800		
\$26,640		
\$16,280		
\$35,000		
\$69,850		
\$48,290		

Problem 2—Time Card

Determine the total hours worked daily and during the week on the time card below. An excess of 8 hours a day is not considered overtime; however, total weekly hours over 40 are considered overtime. Employees are not compensated for a one hour lunch break in an 8 hour day.

TIME CARD			
Payroll No.: 84	Week Ending: June 2, 2004		
Name: Wallace, Walt	Exemptions: 1		
Soc. Sec. No.: 065-55-6178	Hourly Rate: \$5.90		
Day	In	Out	Hours
Monday	8 am	5 pm	_____
Tuesday	8 am	5 pm	_____
Wednesday	8 am	12 pm	_____
Thursday	8 am	5 pm	_____
Friday	8 am	5 pm	_____
Saturday	8 am	5 pm	_____
	Hours	Rate	Earnings
Regular			
Overtime			
Totals		-----	

Application 3—Earnings Record

Steven Varga is a sales associate at Win’s Sport Shop. He is paid on a weekly basis with overtime paid for all hours over 38. The overtime rate is 1 ½ times the regular rate of pay. Use the following information to complete his earnings record for the quarter ended, March 31, 2004.

Name: Steven Varga Marital Status: Single Exemptions: 1
 Hourly Rate: \$4.80 Employee No.: 109 Union Member: Yes
 Hours Worked: 35
 Social Security No.: 385-92-3491 Pay Period Ended: January 15, 2004

Additional information

- Use the tax chart to calculate federal income tax.
- There is no state income tax.
- Compute FICA taxes at 6.2% for social security.
- Compute Medicare at 1.45%.
- Union members pay weekly dues of \$3.80.

Application Problem 4—Weekly Payroll

The following information is for the weekly pay period May 8-15, 2004.

Empl. No.	Employee's Name	Marital Status	No. of Allowances	Earnings		Deductions
				Regular	Overtime	Health Insurance
3	Cortez, Robert H.	S	2	836.00		35.00
4	Edwards, Jennifer L.	M	3	739.20	12.60	45.00
7	Harper, Keith M.	S	1	880.00	60.00	
1	Lawson, Nancy C.	S	1	774.40		
5	Schmidt, Fred E.	M	2	765.60	26.10	35.00
6	Turner, Ruth A.	M	3	915.20		45.00
8	Wilson, Gayle R.	M	2	809.60	55.20	

Instructions:

1. Prepare a payroll register. The date of payment is May 15. Use the federal income tax withholding tables to find the income tax withholding for each employee. Calculate social security and Medicare tax withholdings using 6.2% and 1.45% tax rates, respectively. None of the employee accumulated earnings has exceeded the social security tax base.



PAYROLL ACCOUNTING (04)

KEY

Regional—2005

Multiple Choice (9 @ 5 pts each)	_____ (45 pts.)
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Problem 4—Weekly Payroll	_____ (87 pts.)
TOTAL POINTS	_____ (252)

Graders:

Points for the problem are listed in a text box by the problem.

When grading computer-generated problems, refer to the Style and Reference Manual and Production Standards in the *Workplace Skills Assessment Program Guidelines* for further instructions.

Double-check and verify all scores!

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Write your contestant number in the upper right-hand corner of each page. Staple all pages in order before you turn in your test.



Multiple Choice: Select the best answer for the following questions.

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

Short Answer

1. \$524.16
2. \$706.00
3. \$624.00
4. \$110.92
5. \$1,360.00
6. \$8.50
7. \$607.92
8. \$383.44
9. \$374.65
10. \$623.34

Graders: 5 pts. each



Graders: 2 pts each

Problem 1—Salary

For each annual salary, find the equivalent monthly and weekly salary to the nearest cent.

ANNUAL SALARY	MONTHLY SALARY	WEEKLY SALARY
\$42,800	\$3,566.67	\$823.08
\$26,640	\$2,220.00	\$512.31
\$16,280	\$1356.67	\$313.08
\$35,000	\$2,916.67	\$673.08
\$69,850	\$5,820.83	\$1,343.27
\$48,290	\$4,024.17	\$928.65

Graders: 2 pts. each

Problem 2—Time Card

Determine the total hours worked daily and during the week on the time card below. An excess of 8 hours a day is not considered overtime; however, total weekly hours over 40 are considered overtime. Employees are not compensated for a one hour lunch break in an 8 hour work day.

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Day	In	Out	Hours
Monday	8 am	5 pm	<u>8</u>
Tuesday	8 am	5 pm	<u>8</u>
Wednesday	8 am	12 pm	<u>4</u>
Thursday	8 am	5 pm	<u>8</u>
Friday	8 am	5 pm	<u>8</u>
Saturday	8 am	5 pm	<u>8</u>
	Hours	Rate	Earnings
Regular	40	\$5.90	\$236.00
Overtime	4	\$8.85	\$ 35.40
Totals	44	-----	\$271.40



*Graders: 1 pt. for each
entry in each column*

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EARNINGS RECORD FOR QUARTER ENDED 31-Mar-04

EMPLOYEE NO. 109

LAST NAME Varga, Steven FIRST MIDDLE INITIAL

MAKIIAL STATUS S WITHHOLDING ALLOWANCES 1

RATE OF PAY \$4.80

PER HR. SOC. SEC. NO. 385-92-3491

POSITION Sales Associate

PAY PERIOD		EARNINGS			DEDUCTIONS						NET PAY	ACCUMULATED EARNINGS
NO.	ENDED	REGULAR	OVERTIME	TOTAL	FEDERAL INCOME TAX	SOC. SEC. TAX	MEDICARE TAX	HEALTH INSURANCE	OTHER	TOTAL		
1	01/07/04	35		168.00	18.81	10.42	2.44		U 3.80	35.47	132.53	168.00
2												
3												
4												
5												
6												
7												
QUARTERLY TOTALS												



1 pt for each entry

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