

Member ID: _____

Time: _____

Rank: _____



PAYROLL ACCOUNTING

(125)

REGIONAL 2023

CONCEPT KNOWLEDGE:

Matching (10 @ 2 points each) _____ (20 points)

Multiple Choice (15 @ 2 points each) _____ (30 points)

APPLICATION KNOWLEDGE:

Job 1 – Time Cards (44 @ 1 point each) _____ (44 points)

Job 2 – Gross Earnings (12 @ 3 points each) _____ (36 points)

Job 3 – Payroll Taxes (9 @ 3 points each) _____ (36 points)

TOTAL POINTS _____ ***(166 points)***

Test Time: 60 minutes

GENERAL GUIDELINES:

Failure to adhere to any of the following rules will result in disqualification:

1. Contestant must hand in this test booklet and all printouts if any.
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 (handwritten, photocopied, or keyed) are allowed in the testing area.
3. Electronic devices will be monitored according to ACT standards.

EXAM GUIDELINES:

You have been hired as a Financial Assistant and will be keeping the accounting records for Digital Solutions, located at 700 Morse Road, Suite 201, Columbus, Ohio 43214. Digital Solutions provides accounting and other financial services for clients. You will complete jobs for Digital Solutions' own accounting records, as well as for clients.

You will have 60 minutes to complete your work. The test is divided into two parts: concept knowledge and application knowledge.

Your name and/or school name should *not* appear on any work you submit for grading. Write your Member ID in the provided space. Staple all pages in order before you turn in your test.

Assumptions to make when taking this assessment:

- Round all percentages to two decimal places unless otherwise indicated.
- Assume all employees earn overtime for any hours worked over 40 hours in a week unless otherwise instructed.
- All calculations regarding time should be 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 no employee has accumulated earnings in excess of the social security tax, SUTA, or FUTA base unless otherwise indicated.

Matching – Place the letter of the term for each of the descriptions below in the space

- | | |
|--|-----------------------|
| _____ 1. A summary of earnings, deductions and net pay for one pay period | a.) wage |
| _____ 2. The total amount paid for all employees in a pay period. | b.) pay period |
| _____ 3. Pay for any hours worked over 40 hours per week. | c.) payroll |
| _____ 4. An electronic transfer of funds to an employee for payment of hours worked. | d.) overtime |
| _____ 5. The amount of money an employee takes home after allowances are withheld. | e.) time clock |
| _____ 6. Employee pay for every hour worked. | f.) payroll deduction |
| _____ 7. The number of days or weeks an employee's paycheck covers for work. | g.) gross income |
| _____ 8. An amount withheld from an employee's earnings. | h.) payroll register |
| _____ 9. Total earnings before taxes are taken out. | i.) direct deposit |
| _____ 10. A device used to log employee work hours in and out. | j.) net income |

provided.

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

1. Johnathan has just been hired for a new job. When he goes in to sign his new hire paper work he reads that he will be paid semi-monthly. How often will he get a check?
 - A. every week
 - B. every 2 weeks
 - C. twice a month
 - D. once a month
2. A W-4 is used to show how much an employer paid an employee based on deductions.
 - A. True
 - B. False
3. Which of the following deductions are withheld from the gross pay?
 - A. Medicare tax
 - B. Grocery tax
 - C. Entertainment tax
 - D. Medicare, grocery and entertainment tax

4. On a W-4, if the number of deductions decreases, what will happen to the net pay in each paycheck?
 - A. Increase
 - B. Decrease
 - C. Double
 - D. Decrease by 10
5. Eddie's new job will pay weekly with a salary of \$56,749 for the year. How many times will Eddie be paid throughout the year? What will his weekly gross pay be?
 - A. 187; \$303.48
 - B. 93; \$610.24
 - C. 52; \$1,091.33
 - D. 64; \$886.70
6. Diana is paid \$8.25 an hour. What is her weekly gross pay for 36 hours worked?
 - A. \$264.00
 - B. \$330.00
 - C. \$206.25
 - D. \$297.00
7. Sarah has an annual salary of \$45,000. What amount is her gross pay if she gets paid monthly?
 - A. \$2,812.50
 - B. \$3,750.00
 - C. \$865.38
 - D. \$3,550.00
8. A single person will have less income tax withheld than a married employee earning the same amount.
 - A. True
 - B. False
9. Employers send a _____ for each employee to file taxes every year.
 - A. I-9
 - B. 1040
 - C. W-2
 - D. W-4
10. The more dependents an employee claims on a W-4, the more the gross pay may increase.
 - A. True
 - B. False

11. The Fair Labor Standards Act _____.
 - A. monitors safety in all workplaces
 - B. promotes the welfare of job seekers
 - C. makes sure there are fair wages for all employees
 - D. sets wages, hours worked and safety for all minors

12. Someone who works in a position that gathers and figures out payroll data, then prepares, journalizes, and posts payroll businesses is a _____.
 - A. CEO
 - B. manager
 - C. payroll clerk
 - D. payroll gatherer

13. An hourly employee's total earnings are calculated as regular hours at the regular rate, plus overtime hours at the overtime rate.
 - A. True
 - B. False

14. What can be found on an employee's W-2?
 - A. Total wages earned
 - B. Employer EIN
 - C. Total wages earned and the Employer EIN
 - D. Employee's birthday

15. Valeria received her check and noticed it was less than what she thought she would make. She noticed all the deductions is the reason her check was less. Valeria's take-home amount is known as the _____.
 - a. gross pay
 - b. withholdings
 - c. YTD
 - d. net pay

Job 1 – Time Cards – 44 points

For each employee, calculate regular and overtime hours per day, and then find the total hours of each for the pay period. **Any hours worked over 8 hours a day is considered overtime.**

Employee No. <u>3</u>				
Name <u>Brynlee Hernandez</u>				
Pay Period Ended <u>01/15/ 20-</u>				
DAY	IN	OUT	REG	OT
Mon 3	7:54	5:02		
Tue 4	11:52	5:02		
Wed 5	10:03	6:06		
Thu 6	12:58	10:10		
Fri 7	8:00	5:02		
Mon 10	7:56	6:01		
Tue 11	8:01	4:53		
Wed 12	8:01	6:06		
Thu13	7:58	5:00		
Fri 14	10:05	1:05		
PERIOD TOTALS				
APPROVED BY				

Employee No. <u>4</u>				
Name <u>Daniel Day</u>				
Pay Period Ended <u>01/15/ 20-</u>				
DAY	IN	OUT	REG	OT
Mon 3	11:57	7:54		
Tue 4	10:06	8:00		
Wed 5	11:55	8:00		
Thu 6	12:01	10:03		
Fri 7	11:50	5:45		
Mon 10	7:30	5:15		
Tue 11	5:55	3:00		
Wed 12	5:52	3:30		
Thu13	6:15	2:00		
Fri 14	6:00	2:00		
PERIOD TOTALS				
APPROVED BY				

Job 2 – Calculating Gross Earnings –36 points

Complete the following Gross Earnings for each of the four employees. Forward the Total Gross Earnings to Job 3.

Employee Number	Hours Worked		Regular Rate	Earnings		Total Gross Earnings
	Regular	Overtime		Regular	Overtime	
1	80	6	9.30			
2	80	5.5	14.00			
3	80	5	12.50			
4	80	7.5	10.00			

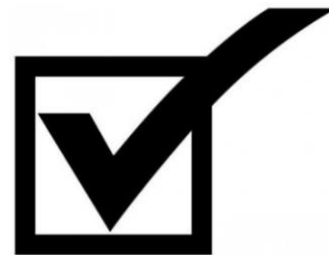
Job 3 – Payroll Taxes –36 points

Calculate employee payroll taxes for each of the employees by using the Total Gross Earnings from Job 2. Federal income tax is a flat rate of 13%.

Employee Number	Marital Status	No. of Allowances	Total Gross Earnings	Federal Income Tax Withholding	Social Security Tax Withholding	Medicare Withholding
1	M	3				
2	S	2				
3	M	2				
4	S	1				



**BUSINESS
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(125)

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Multiple Choice (15 @ 2 points each)	_____ (30 points)

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Job 3 – Payroll Taxes (9 @ 3 points each)	_____ (36 points)

<i>TOTAL POINTS</i>	_____ <i>(166 points)</i>
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Matching: 20 points total; 2 points each

1. H
2. C
3. D
4. I
5. J
6. A
7. B
8. F
9. G
10. E

Multiple Choice: 30 points total; 2 points each

1. C
2. B
3. A
4. B
5. C
6. D
7. B
8. B
9. C
10. B
11. D
12. C
13. A
14. C
15. D

Job 1 – Time Cards (1 point each blank = 44)

Using the two time cards, calculate regular, overtime and total earnings for Employees 3 & 4. Any hours worked over 8 hours a day is considered overtime. – Graders, please allow the different ways shown for partial hours.

Employee No. <u>3</u>				
Name <u>Brynlee Hernandez</u>				
Pay Period Ended <u>01/15/ 20-</u>				
DAY	IN	OUT	REG	OT
Mon 3	7:54	5:02	8	1
Tue 4	11:52	5:02	5 ¼ or 5.25 or 5:15	0
Wed 5	10:03	6:06	8	0
Thu 6	12:58	10:10	8	2 ¼ or 2.25 or 2:15
Fri 7	8:00	5:02	8	1
Mon 10	7:56	6:01	8	2
Tue 11	8:01	4:53	8	1
Wed 12	8:01	6:06	8	2
Thu 13	7:58	5:00	8	1
Fri 14	10:05	1:05	3	0
PERIOD TOTALS			72 ¼ or 72.25 or 72:15	10 ¼ or 10.25 or 10:15
APPROVED BY _____				

Employee No. <u>4</u>				
Name <u>Daniel Day</u>				
Pay Period Ended <u>01/15/ 20-</u>				
DAY	IN	OUT	REG	OT
Mon 3	11:57	7:54	8	0
Tue 4	10:06	8:00	8	2
Wed 5	11:55	8:00	8	0
Thu 6	12:01	10:03	8	2
Fri 7	11:50	5:45	6	0
Mon 10	7:30	5:15	8	1 ¾ or 1.75 or 1:45
Tue 11	5:55	3:00	8	1
Wed 12	5:55	3:30	8	1 ½ or 1.5 or 1:30
Thu 13	6:15	2:00	7 ¾ or 7.75 or 7:45	0
Fri 14	6:00	2:00	8	0
PERIOD TOTALS			77.75 or 77:30 or 77 ½	8.25 or 8 ¼ or 8:15
APPROVED BY _____				

Job 2 – Calculating Gross Earnings (3 points each blank = 36 pts)

Complete the following Gross Earnings for each employee per hourly pay using the Time Cards from Job 1.

Employee Number	Hours Worked		Regular Rate	Earnings		Total Gross Earnings
	Regular	Overtime		Regular	Overtime	
1	80	6	\$9.30	\$744.00	\$83.70	\$827.70
2	80	5.5	14.00	1,120.00	115.50	1,235.50
3	80	5	12.50	1,000.00	93.75	1,093.75
4	80	7.5	10.00	800.00	112.50	912.50

Job 3 – Payroll Taxes (3 points each blank – 36 total)

Calculate employee payroll taxes by using information from Job 2. Federal income tax is a flat rate of 13%.

Employee Number	Marital Status	No. of Allowances	Total Earnings	Federal Income Tax Withholding	Social Security Tax Withholding	Medicare Withholding
1	M	3	\$827.70	\$107.60	\$51.32	\$12.00
2	S	2	1,235.50	160.62	76.60	17.91
3	M	2	1,093.75	142.19	67.81	15.86
4	S	1	912.50	118.63	56.58	13.23