

PAYROLL ACCOUNTING (04)

Regional– 2013

Multiple Choice & Short Answer Section:

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

Short Answers (25 @ 2 points each) _____ (50 pts.)

Production Portion Section:

Problem 1: Time Card _____ (40 pts.)

Problem 2: Salary Expense Entry _____ (15 pts.)

Problem 3: Payroll Tax Expense Entry _____ (13 pts.)

TOTAL POINTS _____ **(148 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 decimal places
- Assume employees earn overtime for any hours worked over 40 hours in a week unless otherwise instructed
- All time calculations are rounded to the nearest quarter hour
- Income Tax Withholding Tables are provided at the end of the assessment
- Use 6.2% for Social Security Tax on the first \$100,000 in wages
- 1.45% for Medicare Tax for all wages
- Use 5.4% for State Unemployment Tax and 0.8% 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:

Select the best answer and record the answer on the Scantron provided.

1. Take home pay commonly known as
 - a. Gross Pay
 - b. Net Pay
 - c. Salary Compensation
 - d. Payroll Expense

2. _____ - deductions = Net Pay is a basic formula to determine net pay for each employee for each pay period
 - a. Non-taxable Earnings
 - b. Yearly Earnings
 - c. Gross Earnings
 - d. Cumulative Earnings

3. This form is known as the Wage & Tax Statement
 - a. Form I-9
 - b. Form W-4
 - c. Form 1040
 - d. Form W-2

4. Old Age & Survivor's Disability Insurance Tax is also called
 - a. Federal Income Tax
 - b. Medicare Tax
 - c. State Income Tax
 - d. Social Security Tax

5. FIT is the acronym for
 - a. Social Security Tax
 - b. Federal Income Tax
 - c. Unemployment Tax
 - d. Medicare Tax

6. The Employee's Earnings Record has all the Employee's yearly information except
 - a. Pay check amounts for each payroll period
 - b. Total Yearly Deductions
 - c. Cumulative gross pay for the year
 - d. Non Employee's 1099MISC

7. The Payroll Register is primarily used for
 - a. Completing Form 940
 - b. Completing Form 941
 - c. Pay Period Journal Entries
 - d. Cumulative deductions for employees

8. An employee who does not fill out a Form W-4 will be treated as (for Federal Income Tax deduction purposes)
 - a. Married with 0 allowances
 - b. Single with 0 allowances
 - c. Married with 1 allowance
 - d. Single with 1 allowance

9. The fewer allowances an employee claims, the _____
 - a. Higher their Gross Pay will be
 - b. Lower their Gross Pay will be
 - c. More Federal Income Taxes will be withheld
 - d. Less Federal Income Taxes will be withheld

10. Which of the following is a mandated benefit for employees
 - a. Personal Day compensation
 - b. Double-time pay for Federal Holidays
 - c. Unemployment Insurance
 - d. None are mandated benefits

11. The Civil Rights Act of 1964 is entitled
 - a. American Employment Opportunities
 - b. United States Employment Opportunities
 - c. Equal Employment Opportunity Act
 - d. Equal Pay for Equal Work Act

12. The 1986 law that prevents employers from hiring and retaining unauthorized aliens for work is
 - a. SECA
 - b. IRCA
 - c. FMLA
 - d. FICA

13. Employers must issue W-2s to employees on or before
 - a. December 31 of the current year
 - b. January 1 of the following year
 - c. January 15 of the following year
 - d. January 31 of the following year

14. If an employee earns \$6,000 for the calendar year, the FUTA liability for the employer would be
 - a. \$ 48.00
 - b. \$ 52.00
 - c. \$ 56.00
 - d. None of these are correct

15. Which of following taxes do not have taxable maximum dollar amounts for employers?
 - a. Federal Unemployment Tax
 - b. State Unemployment Tax
 - c. Social Security Tax
 - d. Medicare Insurance

4. Your current job paid you gross pay of \$565.46 for a 46 hour work week. If you are an hourly paid employee that received time and a half for all hours over 40 in a work week, calculate your regular rate of pay and your overtime rate of pay?

Regular pay rate \$ _____ per hour

Overtime pay rate \$ _____ per hour

5. Using the following time card, calculate the regular, overtime, and total earnings for Glenn Newsome. Glenn takes a 30 minute lunch period each day he works more than 5 hours. In addition, he is not docked hours or given additional hours for punch-in times +/- 6 minutes or less. His regular work day is 8am – 4:30pm.

Time Card			
Employee No. 120765		Week Ending March 12, 2012	
Name: Newsome, Glenn		Exemptions: 2	
Social Security No.: 393-65-8821		Hourly Rate: \$10.60	
Day	In	Out	Hours
Monday	8:01 AM	4:33 PM	
Tuesday	7:56 AM	4:32 PM	
Wednesday	7:57 AM	5:03 PM	
Thursday	8:04 AM	6:03 PM	
Friday	8:00 AM	5:31 PM	
Saturday	9:01 AM	1:33 PM	
	Hours	Rate	Earnings
Regular			
Overtime			
Totals		N/A	



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KEY

Multiple Choice (15 @ 2 points each)	_____	(30 pts.)
Short Answer (25 @ 2 points each)	_____	(50 pts.)
Production Portion		
Problem 1: Time Card	_____	(40 pts.)
Problem 2: General Journal	_____	(15 pts.)
Problem 3: General Journal	_____	(13 pts.)
TOTAL POINTS	_____	(148 points)

Judges/Graders:

Please double-check and verify all scores!

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- 1.45% for Medicare Tax on all wages for the year
- Use 5.4% for State Unemployment Tax and 0.8% for Federal Unemployment Tax
- Assume that no employee has accumulated earnings in excess of the Social Security Tax base



Multiple Choice: 2 points each.

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

Short Answer: 2 points each answer (50 Points)

1. Regular Salary \$ 2,760.00
Overtime Rate \$ 51.75
Overtime Pay \$ 258.75
Gross Pay \$ 3,018.75

2.

Monday	Tuesday	Wednesday	Thursday	Friday	Total Regular Pay	Incentive Pay
155	154	164	150	144	420.00	35.65

\$ 455.65

3. \$120,000
3.33 %
4. Regular pay rate \$ 11.54 per hour
Overtime pay rate \$ 17.31 per hour



5.

Time Card			
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Name: Newsome, Glenn		Exemptions: 2	
Social Security No.: 393-65-8821		Hourly Rate: \$10.60	
Day	In	Out	Hours
Monday	8:01 AM	4:33 PM	8
Tuesday	7:56 AM	4:32 PM	8
Wednesday	7:57 AM	5:03 PM	8.5
Thursday	8:04 AM	6:03 PM	9.5
Friday	8:00 AM	5:31 PM	9
Saturday	9:01 AM	1:33 PM	4.5
	Hours	Rate	Earnings
Regular	40	10.60	424.00
Overtime	7.5	15.90	119.25
Totals	47.5	No Answer Needed	543.25

Problem #1: 2 Points Each (40 Points)

EARNINGS RECORD FOR QUARTER ENDED 1st Quarter											
Employee No. 14468		Bodis		Jim		Marital Status M		Withholding Allowances 0			
		Last Name		First Name							
Rate of Pay \$650/Wk = \$16.25/Hr		Social Security No. 393-66-8233		Position		Department Manager					
Pay Period		Earnings			Deductions					Accumulated Earnings	
										7,800.00	
No	Ended	Regular	Overtime	Total	Federal Income Tax	Social Security Tax	Medicare Tax	Un. Way	Total	Net Pay	Y-T-D Earnings
13	3/26/2010	650.00		650.00	65.00	40.30	9.43	15.00	129.73	520.27	8450.00

