

PAYROLL ACCOUNTING (04)

REGIONAL 2011

CONTESTANT ID# _____ START TIME _____ END TIME _____



Financial Services Events Sponsored by the American Institute of Certified Public Accounts

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 _____ (11 pts.)

TOTAL POINTS _____ **(146)**

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 and 1.45% for Medicare Tax
- 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.

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Multiple Choice:

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

1. The net pay to employees is commonly known as
 - a. Gross Pay
 - b. Take Home 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. The form used to determine a new employee's employment eligibility is
 - a. Form W-2
 - b. Form W-4
 - c. Form 1040
 - d. Form I-9

4. OASDI Tax is also called
 - a. Federal Income Tax
 - b. Medicare Tax
 - c. State Income Tax
 - d. Social Security Tax

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

6. The Employee's Earnings Record is used to produce _____ at the end of the year
 - a. Pay Checks for each payroll period
 - b. Journal Entries for each payroll period
 - c. Employee's W-2s
 - d. Non Employee's 1099MISC

7. Journal entries for each payroll period are taken from the
 - a. Pay stubs of all employees
 - b. Form 941
 - c. Employee's Earnings Report
 - d. Payroll Register

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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 more 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. Vacation Pay
 - b. 401K Employer Matching Contribution
 - c. Unemployment Insurance
 - d. All are mandated benefits

11. Recording the periodic payroll journal entries create a many
 - a. Current Assets
 - b. Current Liabilities
 - c. Long Term Liabilities
 - d. Revenue items

12. FMLA stands for
 - a. Future and Medical Leave Act
 - b. Family and Medicare Leave Act
 - c. Family and Medical Leave Accounting
 - d. None of the above

13. Each employee's W-2 are due 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 the maximum amount of taxable wages for Federal Unemployment Tax is \$7,000 what is most an employer will be liable to pay for each employee that earns more than the \$7,000 maximum?
 - a. \$ 560.00
 - b. \$ 5.60
 - c. \$ 56.00
 - d. None of these are correct

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3. John Will is a salaried sales person with a bonus incentive plan for sales above his quota. His quota for sales is \$1,500,000 per year. At his present position he gets 4% on all sales above this quota and his yearly sales are \$2,000,000 with a base salary of \$75,000 per year. Calculate his present total yearly earnings?

\$ _____

If another company offered him a similar position with the same amount of sales but no base salary (just commission on sales) what % commission must he receive in order to equal his present total yearly earnings?

_____ %

4. You current job paid you gross pay of \$436.88 for a 42 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

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

Time Card			
Employee No. 120765		Week Ending March 12, 2010	
Name: Nelson, Gwen		Exemptions: 2	
Social Security No.: 393-65-8821		Hourly Rate: \$7.55	
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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Problem #1

Use the information below to complete the first quarter Employee Earnings Record for Jethro Bodine. Jethro is a sales clerk and he is a 40 hour per week salaried employee that is paid on a weekly basis. His social security number is 393-66-8233. Complete the Employee's Earnings Record report for the 10th weekly pay period ended March 6, 2010.

Employee No.	Employee Name	Marital Status	No. of Allowances	Earnings		Deductions	
				Regular	Overtime	United Way Deduction	Health Insurance
144668	Bodine, Jethro	M	3	\$650.00		\$15.00	

EARNINGS RECORD FOR QUARTER ENDED _____												
Employee No. _____		Last Name _____				First Name _____		Marital Status _____		Withholding Allowances _____		
Rate of Pay _____		Social Security No. _____				Position _____						
Pay Period		Earnings			Deductions					Accumulated Earnings		
										5,850.00		
No	Ended	Regular	Overtime	Total	Federal Income Tax	Social Security Tax	Medicare Tax	Other	Total	Net Pay		

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<p align="center">SINGLE Persons—WEEKLY Payroll Period (For Wages Paid in 20--)</p>												
If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$600	\$610	95	80	68	60	52	44	36	29	21	13	5
610	620	97	83	69	61	53	46	38	30	22	15	7
620	630	100	86	71	63	55	47	39	32	24	16	8
630	640	103	88	74	64	56	49	41	33	25	18	10
640	650	106	91	77	66	58	50	42	35	27	19	11
650	660	109	94	79	67	59	52	44	36	28	21	13
660	670	111	97	82	69	61	53	45	38	30	22	14
670	680	114	100	85	70	62	55	47	39	31	24	16
680	690	117	102	88	73	64	56	48	41	33	25	17
690	700	120	105	91	76	65	58	50	42	34	27	19
700	710	123	108	93	79	67	59	51	44	36	28	20
710	720	125	111	96	82	68	61	53	45	37	30	22
720	730	128	114	99	84	70	62	54	47	39	31	23
730	740	131	116	102	87	73	64	56	48	40	33	25
740	750	134	119	105	90	76	65	57	50	42	34	26
750	760	137	122	107	93	78	67	59	51	43	36	28
760	770	139	125	110	96	81	68	60	53	45	37	29
770	780	142	128	113	98	84	70	62	54	46	39	31
780	790	145	130	116	101	87	72	63	56	48	40	32
790	800	148	133	119	104	90	75	65	57	49	42	34
800	810	151	136	121	107	92	78	66	59	51	43	35
810	820	153	139	124	110	95	81	68	60	52	45	37
820	830	156	142	127	112	98	83	69	62	54	46	38
830	840	159	144	130	115	101	86	72	63	55	48	40
840	850	162	147	133	118	104	89	74	65	57	49	41
850	860	165	150	135	121	106	92	77	66	58	51	43
860	870	167	153	138	124	109	95	80	68	60	52	44
870	880	170	156	141	126	112	97	83	69	61	54	46
880	890	173	158	144	129	115	100	86	71	63	55	47
890	900	176	161	147	132	118	103	88	74	64	57	49
900	910	179	164	149	135	120	106	91	77	66	58	50
910	920	181	167	152	138	123	109	94	80	67	60	52
920	930	184	170	155	140	126	111	97	82	69	61	53
930	940	187	172	158	143	129	114	100	85	71	63	55
940	950	190	175	161	146	132	117	102	88	73	64	56
950	960	193	178	163	149	134	120	105	91	76	66	58
960	970	195	181	166	152	137	123	108	94	79	67	59
970	980	198	184	169	154	140	125	111	96	82	69	61
980	990	201	186	172	157	143	128	114	99	85	70	62
990	1,000	204	189	175	160	146	131	116	102	87	73	64
1,000	1,010	207	192	177	163	148	134	119	105	90	76	65
1,010	1,020	209	195	180	166	151	137	122	108	93	78	67
1,020	1,030	212	198	183	168	154	139	125	110	96	81	68
1,030	1,040	215	200	186	171	157	142	128	113	99	84	70
1,040	1,050	218	203	189	174	160	145	130	116	101	87	72
1,050	1,060	221	206	191	177	162	148	133	119	104	90	75
1,060	1,070	223	209	194	180	165	151	136	122	107	92	78
1,070	1,080	226	212	197	182	168	153	139	124	110	95	81
1,080	1,090	229	214	200	185	171	156	142	127	113	98	84
1,090	1,100	232	217	203	188	174	159	144	130	115	101	86
1,100	1,110	235	220	205	191	176	162	147	133	118	104	89
1,110	1,120	238	223	208	194	179	165	150	136	121	106	92
1,120	1,130	241	226	211	196	182	167	153	138	124	109	95
1,130	1,140	244	228	214	199	185	170	156	141	127	112	98
1,140	1,150	247	231	217	202	188	173	158	144	129	115	100
1,150	1,160	250	234	219	205	190	176	161	147	132	118	103
1,160	1,170	253	237	222	208	193	179	164	150	135	120	106
1,170	1,180	256	240	225	210	196	181	167	152	138	123	109
1,180	1,190	259	243	228	213	199	184	170	155	141	126	112
1,190	1,200	262	246	231	216	202	187	172	158	143	129	114
1,200	1,210	266	249	233	219	204	190	175	161	146	132	117
1,210	1,220	269	253	236	222	207	193	178	164	149	134	120
1,220	1,230	272	256	240	224	210	195	181	166	152	137	123
1,230	1,240	275	259	243	227	213	198	184	169	155	140	126
1,240	1,250	278	262	246	230	216	201	186	172	157	143	128

\$1,250 and over

Use Table 1(a) for a **SINGLE** person.

PAYROLL ACCOUNTING

REGIONAL 2011

CONTESTANT ID# _____

MARRIED Persons—WEEKLY Payroll Period
(For Wages Paid in 20--)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$125	0	0	0	0	0	0	0	0	0	0	0
125	130	1	0	0	0	0	0	0	0	0	0	0
130	135	1	0	0	0	0	0	0	0	0	0	0
135	140	2	0	0	0	0	0	0	0	0	0	0
140	145	3	0	0	0	0	0	0	0	0	0	0
145	150	4	0	0	0	0	0	0	0	0	0	0
150	155	4	0	0	0	0	0	0	0	0	0	0
155	160	5	0	0	0	0	0	0	0	0	0	0
160	165	6	0	0	0	0	0	0	0	0	0	0
165	170	7	0	0	0	0	0	0	0	0	0	0
170	175	7	0	0	0	0	0	0	0	0	0	0
175	180	8	0	0	0	0	0	0	0	0	0	0
180	185	9	1	0	0	0	0	0	0	0	0	0
185	190	10	2	0	0	0	0	0	0	0	0	0
190	195	10	2	0	0	0	0	0	0	0	0	0
195	200	11	3	0	0	0	0	0	0	0	0	0
200	210	12	4	0	0	0	0	0	0	0	0	0
210	220	14	6	0	0	0	0	0	0	0	0	0
220	230	15	7	0	0	0	0	0	0	0	0	0
230	240	17	9	1	0	0	0	0	0	0	0	0
240	250	18	10	3	0	0	0	0	0	0	0	0
250	260	20	12	4	0	0	0	0	0	0	0	0
260	270	21	13	6	0	0	0	0	0	0	0	0
270	280	23	15	7	0	0	0	0	0	0	0	0
280	290	24	16	9	1	0	0	0	0	0	0	0
290	300	26	18	10	2	0	0	0	0	0	0	0
300	310	27	19	12	4	0	0	0	0	0	0	0
310	320	29	21	13	5	0	0	0	0	0	0	0
320	330	30	22	15	7	0	0	0	0	0	0	0
330	340	32	24	16	8	0	0	0	0	0	0	0
340	350	33	25	18	10	2	0	0	0	0	0	0
350	360	35	27	19	11	3	0	0	0	0	0	0
360	370	36	28	21	13	5	0	0	0	0	0	0
370	380	38	30	22	14	6	0	0	0	0	0	0
380	390	39	31	24	16	8	0	0	0	0	0	0
390	400	41	33	25	17	9	2	0	0	0	0	0
400	410	42	34	27	19	11	3	0	0	0	0	0
410	420	44	36	28	20	12	5	0	0	0	0	0
420	430	45	37	30	22	14	6	0	0	0	0	0
430	440	47	39	31	23	15	8	0	0	0	0	0
440	450	48	40	33	25	17	9	1	0	0	0	0
450	460	50	42	34	26	18	11	3	0	0	0	0
460	470	51	43	36	28	20	12	4	0	0	0	0
470	480	53	45	37	29	21	14	6	0	0	0	0
480	490	54	46	39	31	23	15	7	0	0	0	0
490	500	56	48	40	32	24	17	9	1	0	0	0
500	510	57	49	42	34	26	18	10	3	0	0	0
510	520	59	51	43	35	27	20	12	4	0	0	0
520	530	60	52	45	37	29	21	13	6	0	0	0
530	540	62	54	46	38	30	23	15	7	0	0	0
540	550	63	55	48	40	32	24	16	9	1	0	0
550	560	65	57	49	41	33	26	18	10	2	0	0
560	570	66	58	51	43	35	27	19	12	4	0	0
570	580	68	60	52	44	36	29	21	13	5	0	0
580	590	69	61	54	46	38	30	22	15	7	0	0
590	600	71	63	55	47	39	32	24	16	8	1	0
600	610	72	64	57	49	41	33	25	18	10	2	0
610	620	74	66	58	50	42	35	27	19	11	4	0
620	630	75	67	60	52	44	36	28	21	13	5	0
630	640	77	69	61	53	45	38	30	22	14	7	0
640	650	78	70	63	55	47	39	31	24	16	8	0
650	660	80	72	64	56	48	41	33	25	17	10	2
660	670	81	73	66	58	50	42	34	27	19	11	3
670	680	83	75	67	59	51	44	36	28	20	13	5
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710	720	89	81	73	65	57	50	42	34	26	19	11
720	730	90	82	75	67	59	51	43	36	28	20	12
730	740	92	84	76	68	60	53	45	37	29	22	14



PAYROLL ACCOUNTING (04)

Regional—2011

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	_____	(11 pts.)
TOTAL POINTS	_____	(146 points)

Judges/Graders:

Please double-check and verify all scores!

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Workplace Skills Assessment Program competition.



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- 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. D
6. C
7. D
8. B
9. D
10. C
11. B
12. D
13. D
14. C
15. B

Short Answer: 2 points each answer (50 Points)

1. Regular Salary \$ 1,500.00
Overtime Rate \$ 25.97
Overtime Pay \$ 103.88
Gross Pay \$ 1,603.88

2.

Monday	Tuesday	Wednesday	Thursday	Friday	Total Regular Pay	Incentive Pay
155	154	164	150	144	374.00	62.10

\$ 436.10

3. \$95,000
4.75 %
4. Regular pay rate \$ 10.16 per hour
Overtime pay rate \$ 15.24 per hour



5.

Time Card			
Employee No. 120765		Week Ending March 12, 2010	
Name: Nelson, Gwen		Exemptions: 2	
Social Security No.: 393-65-8821		Hourly Rate: \$7.55	
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	7.55	302.00
Overtime	7.5	11.33	84.98
Totals	47.5	No Answer Needed	386.98

Problem #1: 2 Points Each (40 Points)

EARNINGS RECORD FOR QUARTER ENDED 1st Quarter											
Employee No. 14468		Bodine		Jethro		Marital Status M		Withholding Allowances 3			
		Last Name		First Name							
Rate of Pay \$650/Wk of \$16.25/Hr Social Security No. 393-66-8233 Position Sales Clerk											
Pay Period		Earnings			Deductions					Accumulated Earnings	
										5,850.00	
No	Ended	Regular	Overtime	Total	Federal Income Tax	Social Security Tax	Medicare Tax	Other	Total	Net Pay	
10	3/6/2010	650.00		650.00	56.00	40.30	9.43	15.00	120.73	529.27	6500.00

