

# PAYROLL ACCOUNTING (125)

—Secondary—

## REGIONAL – 2017

### Multiple Choice & Short Answer Section:

Multiple Choice (15 @ 2 points each) \_\_\_\_\_ (30 points)

Short Answers (10 @ 2 points each) \_\_\_\_\_ (20 points)

### Production Portion:

Job 1: Salary Calculations (20 @ 1 point each) \_\_\_\_\_ (20 points)

Job 2: Time card (14 @ 1 point each) \_\_\_\_\_ (14 points)

Job 3: Journalize Transactions (28 @ 1 point each) \_\_\_\_\_ (28 points)

**TOTAL POINTS** \_\_\_\_\_ (**112 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 ninety (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 Payroll Clerk 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 an overtime rate of 1 ½ times for any hours worked over 40 in a week unless otherwise instructed (This includes Multiple Choice, Short Answer and Jobs)
- All time calculations are rounded to the nearest quarter hour
- Use 6.2% for Social Security Tax on the first \$118,500 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.*

1. The gross earnings of six employees of a jewelry store for a week were: \$815, \$595, \$715, \$670, \$525, and \$675. What was the average amount earned for the week by these employees?
  - a. \$665.83
  - b. \$648.38
  - c. \$634.88
  - d. \$642.83
  
2. Jeff Jackson receives a salary of \$720 a month and a 7.5% commission on all sales above his monthly sales quota of \$15,000. His sales for March totaled \$32,000. What was Jeff's total income for March?
  - a. \$1,275
  - b. \$660
  - c. \$2,400
  - d. \$1,995
  
3. An employee is paid twice per month. This employee is said to be paid \_\_\_\_\_.
  - a. semi-annually
  - b. bi-weekly
  - c. semi-monthly
  - d. monthly
  
4. Alexis earns a weekly salary of \$1,425 as a fitness trainer. If she works at this pay rate for a year, her total annual earning will be \_\_\_\_\_.
  - a. \$70,304
  - b. \$74,100
  - c. \$32,448
  - d. \$16,224
  
5. If Taton's hourly rate is \$16.25 and he worked 43 hours last week, his gross pay for the week was \_\_\_\_\_.
  - a. \$620
  - b. \$116.25
  - c. \$698.75
  - d. \$723.13
  
6. A business form used to record payroll information for all employees during a pay period is called a(n) \_\_\_\_\_.
  - a. Employee earnings record
  - b. 941 Form
  - c. Payroll register
  - d. Payroll ledger

7. An employee is hired at a pay rate of \$10 per hour. During the past week, the employee worked 50 hours. The employee's gross wages for the past week are:
  - a. \$400
  - b. \$450
  - c. \$500
  - d. \$550
  
8. The federal form on which an employee indicates the number of exemptions/dependents to be used in calculating the amount of federal income tax withholding for the employee is the
  - a. Form W-2
  - b. Form W-4
  - c. Form 941
  - d. Form 1099
  
9. John receives \$8 per hour and worked 32 hours Monday-Thursday. Friday was a paid holiday. What is John owed for this week before any withholdings?
  - a. \$240
  - b. \$256
  - c. \$320
  - d. \$336
  
10. What taxes must employers match and pay to the Internal Revenue Service each pay period?
  - a. Federal Tax and State Tax
  - b. Federal Tax and Social Security Tax
  - c. Social Security and Unemployment Tax
  - d. Social Security Tax and Medicare Tax
  
11. What document reflects the value of assets of a corporation?
  - a. Profit/loss statement
  - b. Income statement
  - c. Balance sheet
  - d. Variance analysis
  
12. The pay earned by hourly-paid employees is usually referred to as
  - a. wages
  - b. salary
  - c. commission
  - d. tips
  
13. The combination of the Social Security tax and Medicare tax is referred to by the acronym
  - a. FUTA
  - b. FICA
  - c. FIMA
  - d. FUCA
  
14. The rate for the Social Security tax (excluding the Medicare tax) that is withheld from employees' salaries and wages up to a specified annual amount is
  - a. 6.2%
  - b. 7.65%
  - c. 1.45%
  - d. 8.2%

15. The financial statement that is used to evaluate the performance of a business by matching its revenue and related expenses for a particular accounting period is a
- Trial Balance
  - General Ledger
  - Balance Sheet
  - Income Statement

**Short Answer:** *Answer the following questions, and write the answer on the line provided.*

- \_\_\_\_\_ As a financial assistant, Jayne earns \$16.35 per hour and \$4.72 for each client she sees. Last week Jayne worked 21 regular hours and saw 11 clients. What was her total pay for the week?
- \_\_\_\_\_ Amber works entering data for Paxson Computer Systems. She makes \$7.80 an hour and is paid a 10% shift differential for hours worked after 9:00 pm. This week Amber worked 7:00 pm-11:30 pm Monday through Friday, without taking a meal break (e.g. lunch or dinner). How much did she earn?
- \_\_\_\_\_ You are a mechanic for Dayton Car Repair. You earn a regular hourly rate of \$22.17. 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, 4 hours on Saturday, and 4 hours on Sunday. What is your total pay for the week?
- \_\_\_\_\_ Brian delivers newspapers for Westside Story. He is paid 12 cents for every daily paper he delivers and 32 cents for every Sunday paper. What is Brian's pay for a week in which he delivers 524 daily papers and 145 Sunday papers?
- \_\_\_\_\_ Cartridge House pays you \$5.25 for each ink cartridge you refill and \$11.75 for each laser jet cartridge you refill. During the last two weeks, you refilled 98 ink cartridges and 63 laser cartridges. What is your total pay for the two weeks?
- \_\_\_\_\_ As a salaried employee, you make \$728 a week. If you worked 28 hours, what is your hourly rate?
- \_\_\_\_\_ Justin Jones earns a weekly salary of \$672 at McDonalds. Next month he will be promoted from cook to assistant manager. In his new position, he will be paid \$1,594 semi-monthly. How much more per year will Justin earn as an assistant manager than as a cook?
- \_\_\_\_\_ Kim prints flyers for a customer. She makes \$.97 per flyer for the first 300 flyers, \$1.09 each for the next 200, and \$1.25 for each thereafter. Kim also makes an additional 3% of her pay if more than 800 are printed. How much does Kim make if she prints 872 flyers for this customer?
- \_\_\_\_\_ You are paid a commission plus \$6.56 per hour. This week you worked 31 hours. Your commission consists of 2.5% of the first \$2,500 in sales and 6% on all sales over \$2,500. Your total sales for the week were \$4,095. Find your gross pay for a week.

10. \_\_\_\_\_ Thomas is paid a commission plus \$7.12 per hour with time-and-a-half overtime for all hours over eight per day. His commission consists of 2.5% of the first \$3,000 in sales and 5% on all sales over \$3,000. His total sales for the week were \$3,977. Find his gross pay for a week in which he worked eight hours on both Monday and Tuesday, nine hours on Wednesday, eleven hours on Thursday, four hours on Friday, and seven hours on Saturday.

**Job 1: Salary**

*For each annual salary, find the equivalent monthly, semi-monthly, bi-weekly and weekly salary to the nearest cent. To avoid rounding errors, base all calculations on the annual salary. Write the answers in the blanks provided.*

ANNUAL SALARY	MONTHLY SALARY	SEMI-MONTHLY SALARY	BI-WEEKLY SALARY	WEEKLY SALARY
\$27,861				
\$37,982				
\$81,491				
\$52,373				
\$66,883				

**Job 2: Time Card**

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

TIME CARD			
Employee No. 124251	Week Ending March 12, 2016		
Name: Thomas, Janet	Exemptions: 2		
SS#: 393-88-2431	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		*****	

