

PAYROLL ACCOUNTING (125)

—Secondary—

REGIONAL – 2020

Multiple Choice & Short Answer Section:

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

Short Answers (15 @ 2 points each) _____ (30 points)

Production Portion:

Job 1: Salary (20 @ 2 points each) _____ (40 points)

Job 2: Time card (14 @ 2 points each) _____ (28 points)

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

TOTAL POINTS _____ **(156 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 60 minutes testing time

No more than ten (10) minutes wrap-up

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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 5 employees of a jewelry store for a week were: \$910, \$795, \$615, \$570.50, and \$675. What was the average amount earned for the week by these employees?
 - a. \$685.50
 - b. \$712.55
 - c. \$713.10
 - d. \$721.05

2. The pay earned by hourly-paid employees is usually referred to as
 - a. wages
 - b. salary
 - c. commission
 - d. tips

3. Nicole Carter receives a salary of \$880 a month and a 6.5% commission on all sales above her monthly sales quota of \$12,000. Her sales for March totaled \$30,000. What was Nicole's total income for March?
 - a. \$880.00
 - b. \$2,050.00
 - c. \$1,950.00
 - d. \$1,660.00

4. An employee is paid every two weeks. This employee is said to be paid _____.
 - a. semiannually
 - b. biweekly
 - c. bimonthly
 - d. monthly

5. Cecily receives \$9 per hour and worked 32 hours Monday-Thursday. Friday was a paid holiday. What do you owe Cecily for this week before any withholdings?
 - a. \$288
 - b. \$256
 - c. \$360
 - d. \$420

6. If Sara's hourly rate is \$12.75 and she worked 43 hours last week, her gross pay for the week was _____.
 - a. \$548.25
 - b. \$567.38
 - c. \$698.75
 - d. \$560.50

7. A business form used to record pay period information for all employees of a company is called a(n)
 - a. employee earnings record.
 - b. 941 Form.
 - c. payroll register.
 - d. payroll ledger.

8. An employee is hired at a pay rate of \$12 per hour. During the past week, the employee worked 50 hours. The employee's gross wages for the past week are:
 - a. \$480
 - b. \$500
 - c. \$600
 - d. \$660

9. Jeff earns a weekly salary of \$1,375.50 as a fitness trainer. If he works at this pay rate for a year, her total annual earning will be
 - a. \$36,753.00.
 - b. \$71,526.00.
 - c. \$35,763.00.
 - d. \$71,526.00.

10. The federal form on which an employee indicates the number of allowances to be used in calculating the amount of federal income tax withholding is the
 - a. Form W-2.
 - b. Form W-4.
 - c. Form 941.
 - d. Form 1099.

11. 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

12. Take home pay is commonly known as
 - a. salary compensation.
 - b. payroll expense.
 - c. net pay.
 - d. gross pay.

13. According to the Fair Labor Standards Act overtime is paid when employees work
 - a. a minimum of 44 hours in a week.
 - b. 40 hours per week.
 - c. any hours in excess of 8 in a day.
 - d. in excess of 40 hours per week.

14. The combination of the Social Security tax and Medicare tax is referred to by the acronym of
 - a. FIMA.
 - b. FICA.
 - c. FITA.
 - d. SSMT.

15. 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%.

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

1. An employee earns \$14.40 an hour for regular time work.
- a. What is the employee's time-and-a-half pay rate per hour? _____
 - b. What is the employee's double-time pay rate per hour? _____
2. Danielle works as a freelance artist. She has been hired by a high school to paint murals for their CTE hallways. They have agreed to pay Danielle \$8,500 for the job. She can set her own hours as long as the job is completed in two months. Danielle anticipates that it will take her 27 days to complete the work. What will Danielle make per day if she completes the work in 27 days?

3. Jessica works two jobs. At her first job, she makes \$34,800 annually. At her second job, she makes \$14,400. How much will Jessica pay into Social Security and Medicare for the year?
- | | |
|-----------------|-------|
| Social Security | _____ |
| Medicare | _____ |
4. Steve Rogers sells cell phones for one of the major phone companies. He is paid 3 percent commission on the first \$12,000 of sales, 5 percent on the next \$18,000, and 7 percent on sales over \$30,000 each pay period. What is Steve's commission on his pay period sales of \$52,300?

5. Tony Stark is a salaried employee who makes \$76,800 annually. He is paid bi-weekly.
- a. What is Tony's biweekly gross earnings? _____
 - b. What is Tony's hourly pay rate? _____
 - c. If he could receive time-and-a-half, what would be his overtime rate? _____

6. Fred is a waiter at a seafood restaurant at the shore. On Friday he waited on 12 groups of customers who spent an average of \$184 per group. His tips averaged 20% of the total amount spent by all of the groups of customers that day. What were Fred's tip earnings for Friday?

7. Nick worked 54 hours last week. Of those hours, 40 hours were paid at the regular-time rate of \$12.80 an hour, 9 hours at the time-and-a-half rate, and 5 hours at the double-time rate.

a. What were Nick's regular gross wages for the week?

b. What were Nick's overtime wages for the week?

c. What were Nick's total gross wages for the week?

8. Daniel works at a cookware mold manufacturing plant. He is paid \$1.85 for each mold that he completes and that passes inspection. Last week, Daniel completed a total of 515 molds. All the molds passed inspection except for 8. How much in earnings did Daniel make last week?

9. George delivers newspapers for the Seaford Star. He is paid \$.25 cents for every daily paper he delivers and \$.50 cents for every Sunday paper. What is George's pay for a week in which he delivers 519 daily papers and 157 Sunday papers?

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
\$29,462				
\$38,924				
\$89,222				
\$56,471				
\$66,448				

JOB 2: TIME CARD

Using the following time card, calculate the regular, overtime, and total earnings for Maria Hill. Maria takes 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 clock-in times +/- 6 minutes or less. Her regular work day is 8:00 AM–4:30 PM.

TIME CARD			
Employee No. 105275	Week Ending December 20, 2019		
Name: Hill, Maria	Exemptions: 3		
SS#: 222-02-1202	Hourly Rate: \$11.52		
DAY	IN	OUT	HOURS
Monday	8:00 AM	4:43 PM	
Tuesday	7:59 AM	4:32 PM	
Wednesday	7:57 AM	5:03 PM	
Thursday	8:05 AM	6:03 PM	
Friday	8:01 AM	5:31 PM	
Saturday	9:01 AM	1:33 PM	
	HOURS	RATE	EARNINGS
Regular			
Overtime			
Totals		*****	

