

COLLEGE PAYROLL ACCOUNTING (130) —Post-Secondary—

REGIONAL – 2020

Multiple Choice & Short Answer Section:

Multiple Choice (18 @ 2 points each) _____ (36 points)

Short Answers (18 @ 2 points each) _____ (36 points)

Production Section:

Problem 1: Gross Wage Calculation _____ (40 points)

Problem 2: Payroll Items _____ (16 points)

Problem 3: Hourly with OT Wage Calculation _____ (32 points)

Problem 3: Journal Entry _____ (22 points)

TOTAL POINTS _____ **(182 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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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:

- Calculate all calculations to four (4) decimals, then round to the nearest cent.
- 2019 Payroll Tax Rules Apply
- Social Security (OASDI): 6.2% on the first \$132,900
- Medicare (HI): 1.45%
- FUTA: .6% on first \$7,000 of employee wages
- SUTA: Information is in each question

Multiple Choice: (36 points, 2 each) Choose the letter which best answers the question or completes the sentence.

1. Which of the following deductions is NOT mandatory?
 - a. FICA taxes
 - b. local taxes
 - c. retirement
 - d. wage garnishment

2. If an employee works 37.50 hours and earns a gross wage of \$431.25. What is the employee's hourly wage?
 - a. \$11.50
 - b. \$11.65
 - c. \$11.48
 - d. \$11.58

3. John Smith is a salaried employee whose annual salary is \$40,508. How much is his bi-weekly salary?
 - a. \$779.00
 - b. \$1,558.00
 - c. \$843.92
 - d. \$1,687.33

4. Employees are required to complete the _____ form by U.S. Citizenship and Immigration Services.
 - a. W-4
 - b. SS-4
 - c. W-2
 - d. I-9

5. The Federal minimum hourly wage for an employee in 2019 is
 - a. \$11.00
 - b. \$8.55
 - c. \$10.75
 - d. \$7.25

6. Jane Doe works at an hourly job and makes \$10.75 per hour. If Jane works 40 hours in one week, what is Jane's FICA withholding?
 - a. \$26.66
 - b. \$32.90
 - c. \$6.23
 - d. \$30.10

7. FUTA (Federal Unemployment Tax Act) is paid on what amount of wages?
 - a. all wages paid
 - b. \$132,900
 - c. \$7,000
 - d. Federal Unemployment Tariff Assessment

8. Which form is NOT a required payroll form for employees to complete?
 - a. W-4
 - b. I-9
 - c. W-2
 - d. SS-4

9. _____ are the federal taxes that you, as an employer, are required to pay on behalf of your employees.
 - a. Federal unemployment taxes
 - b. State unemployment taxes
 - c. Payroll taxes
 - d. Both a and b

10. FLMA stands for
 - a. Federal Leave Mandated Act
 - b. Federal Leave and Medical Act
 - c. Family Labor and Medical Act
 - d. Family and Medical Leave Act

11. None of the OASDI and SSI taxes are paid by _____.
 - a. Federal government
 - b. Employee
 - c. Employer
 - d. Both employee and employer

12. George Washington is an independent contractor and has earned \$900 from the USA Company. USA Company will issue George a
 - a. W-2
 - b. W-2G
 - c. 1099MISC
 - d. 1099INT

13. The FLSA (Fair Labor Standards Act) established all but
 - a. minimum wage
 - b. overtime pay
 - c. child labor
 - d. independent contractors

Answer Questions #14-18 for the White House Corporation with this data: White House has 6 employees; 2 earn \$10.56 per hour, 1 is on salary for \$45,555 per year, 3 earn \$13.92 per hour. All employees work 40 hours per week and are paid weekly.

14. What is the weekly gross wages for the White House hourly employees?
 - a. \$3,391.26
 - b. \$2,515.20
 - c. \$1,958.40
 - d. None of the above

15. What will the HI Liability be for White House's portion of Medicare Tax?
- a. \$210.26
 - b. \$490.17
 - c. \$21.03
 - d. \$49.17
16. What will the OASDI Liability be for White House's portion of Social Security Tax?
- a. \$210.26
 - b. \$490.17
 - c. \$21.03
 - d. \$49.17
17. What is White House's FUTA liability for the first pay period of the year?
- a. \$203.48
 - b. \$20.35
 - c. \$117.50
 - d. \$11.75
18. What is White House's SUTA Liability for the first pay period of the year if the SUTA rate is 3.2%?
- a. \$108.52
 - b. \$10.85
 - c. \$1958.40
 - d. \$62.67

SHORT ANSWER QUESTIONS:

1. (10 POINTS, 2 POINTS EACH)

Hillary is employed as a retail employee and earns an hourly rate of \$12.75 with a commission of 4% of personal sales over \$1,900.00 per month. Calculate Hillary's weekly pay and her monthly commission pay, with the following information:

- o Week 1 – 38.75 hours, \$325.00 in sales
- o Week 2 – 41 hours, \$418.00 in sales
- o Week 3 – 34.25 hours, \$678.00 in sales
- o Week 4 – 37.5 hours, \$562.00 in sales

Hourly Pay – Week 1	_____
Hourly Pay – Week 2	_____
Hourly Pay – Week 3	_____
Hourly Pay – Week 4	_____
Commission Earned	_____

2. (14 POINTS, 2 POINTS EACH)

Mitchell Inc. has 4 employees that each earn \$18.50 per hour. All employees worked 39 hours and are paid weekly. Calculate Mitchell’s gross wages, employer tax liabilities assuming it is the first pay week of the year and the SUTA rate is 2.75% on the first \$8,000 of wages. Finally calculate how many weeks Mitchell will pay FUTA & SUTA.

Gross Wages _____

Employer’s Tax Liabilities

Social Security _____

Medicare _____

SUTA _____

FUTA _____

of weeks FUTA will be paid _____

of weeks SUTA will be paid _____

3. (12 POINTS, 2 POINTS EACH)

Bonnie Smith is employed as an exempt employee. She gets paid an annual salary of \$53,985. Calculate Bonnie’s gross pay, withholdings, and net pay for the weekly pay period. She is single and has 0 dependents.

Gross Pay _____

Taxes Withheld

Federal Tax _____

Social Security _____

Medicare _____

State Tax (7.25%) _____

Net Pay _____

PRODUCTION SECTION:

1. (40 POINTS, 2 POINTS EACH)

Complete the following gross wage calculations for each scenario. Round each calculation to the nearest cent.

Employee	Annual Salary	Weekly	Bi-Weekly	Semi-Monthly	Monthly
George	\$74,550.00				
Abraham		\$925.50			
Theodore			\$2,173.25		
Ronald				\$2,795.65	
John					\$3,700.00

2. (16 POINTS, 2 POINTS EACH)

For each of the payroll items in the table, place an “x” in the column that applies to the item.

Payroll Items	Taxable	Non-taxable	Not Applicable
Regular Wages			
Overtime Wages			
\$50,000 Group Term Life Insurance			
Commissions			
Scholarships			
Piece Wages			
Long Term Care Coverage			
Transportation (\$250/mo)			

3. (32 POINTS, 2 POINTS EACH)

Calculate the weekly payroll for the employees below. All salaried employees are exempt and all hourly employees received time and a half for hours worked over 40 hour and are paid weekly

Employee	Pay	Hours Worked	Overtime Rate	Regular Wages	Overtime Wages	Total Wages
Jimmy	\$13.75/hr	41.75				
Gerald	\$14.56/hr	43.50				
Richard	\$48,325/yr	41.75				
Lyndon	\$16.35/hr	39.75				

4. (22 POINTS, 2 POINTS EACH)

Journalize the Employer’s Payroll Taxes for the employees in Problem #3, assume no one is over the FUTA and SUTA limit. Use 4.86% as a SUTA rate and January 21, 2019 for the date.

JOURNAL			PAGE 9
DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT

Wage Bracket Method Tables for Income Tax Withholding

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid through December 2019)

And 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—										
832	843	89	78	69	59	49	40	30	20	12	4	0
843	854	91	80	70	60	51	41	31	21	13	5	0
854	865	93	81	71	62	52	42	32	23	14	6	0
865	876	96	82	73	63	53	43	34	24	15	7	0
876	887	98	84	74	64	55	45	35	25	16	8	0
887	898	101	85	75	66	56	46	36	27	17	9	1
898	909	103	86	77	67	57	47	38	28	18	10	2
909	920	105	88	78	68	58	49	39	29	20	11	3
920	931	108	90	79	69	60	50	40	31	21	13	4
931	942	110	93	80	71	61	51	42	32	22	14	6
942	953	113	95	82	72	62	53	43	33	24	15	7
953	964	115	97	83	73	64	54	44	35	25	16	8
964	975	118	100	84	75	65	55	46	36	26	17	9
975	986	120	102	86	76	66	57	47	37	28	18	10
986	997	122	105	87	77	68	58	48	38	29	19	11
997	1,008	125	107	89	79	69	59	50	40	30	21	12
1,008	1,019	127	109	92	80	70	61	51	41	32	22	13
1,019	1,030	130	112	94	81	72	62	52	43	33	23	14
1,030	1,041	132	114	97	83	73	63	54	44	34	25	15
1,041	1,052	135	117	99	84	74	65	55	45	36	26	17
1,052	1,063	137	119	101	85	76	66	56	47	37	27	18
1,063	1,074	139	122	104	87	77	67	58	48	38	28	19
1,074	1,085	142	124	106	88	78	69	59	49	40	30	20
1,085	1,096	144	126	109	91	80	70	60	51	41	31	21
1,096	1,107	147	129	111	93	81	71	62	52	42	32	23
1,107	1,118	149	131	113	96	82	73	63	53	43	34	24
1,118	1,129	151	134	116	98	84	74	64	54	45	35	25
1,129	1,140	154	136	118	101	85	75	65	56	46	36	27
1,140	1,151	156	139	121	103	86	76	67	57	47	38	28
1,151	1,162	159	141	123	105	88	78	68	58	49	39	29
1,162	1,173	161	143	126	108	90	79	69	60	50	40	31
1,173	1,184	164	146	128	110	92	80	71	61	51	42	32
1,184	1,195	166	148	130	113	95	82	72	62	53	43	33
1,195	1,206	168	151	133	115	97	83	73	64	54	44	35
1,206	1,217	171	153	135	118	100	84	75	65	55	46	36
1,217	1,228	173	155	138	120	102	86	76	66	57	47	37
1,228	1,239	176	158	140	122	105	87	77	68	58	48	39
1,239	1,250	178	160	143	125	107	89	79	69	59	50	40
1,250	1,261	180	163	145	127	109	92	80	70	61	51	41
1,261	1,272	183	165	147	130	112	94	81	72	62	52	43
1,272	1,283	185	168	150	132	114	96	83	73	63	54	44
1,283	1,294	188	170	152	134	117	99	84	74	65	55	45
1,294	1,305	190	172	155	137	119	101	85	76	66	56	47
1,305	1,316	193	175	157	139	122	104	87	77	67	58	48
1,316	1,327	195	177	159	142	124	106	88	78	69	59	49
1,327	1,338	197	180	162	144	126	109	91	80	70	60	50
1,338	1,349	200	182	164	147	129	111	93	81	71	61	52
1,349	1,360	202	184	167	149	131	113	96	82	73	63	53
1,360	1,371	205	187	169	151	134	116	98	84	74	64	54
1,371	1,382	207	189	172	154	136	118	100	85	75	65	56
1,382	1,393	210	192	174	156	138	121	103	86	76	67	57
1,393	1,404	212	194	176	159	141	123	105	88	78	68	58
1,404	1,415	214	197	179	161	143	126	108	90	79	69	60
1,415	1,426	217	199	181	163	146	129	110	92	80	71	61
1,426	1,437	219	201	184	166	148	130	113	95	82	72	62
1,437	1,448	222	204	186	168	151	133	115	97	83	73	64
1,448	1,459	224	206	189	171	153	135	117	100	84	75	65
1,459	1,470	226	209	191	173	155	138	120	102	86	76	66
1,470	1,481	229	211	193	176	158	140	122	105	87	77	68
1,481	1,492	231	214	196	178	160	142	125	107	89	79	69
1,492	1,503	234	216	198	180	163	145	127	109	92	80	70
1,503	1,514	236	218	201	183	165	147	130	112	94	81	72
1,514	1,525	239	221	203	185	167	150	132	114	96	83	73
1,525	1,536	241	223	205	188	170	152	134	117	99	84	74
1,536	1,547	243	226	208	190	172	155	137	119	101	85	76

1,547 and over

Use Table 1(a) for a SINGLE person on page 46. Also see the instructions on page 44.