



# FEDERAL INCOME TAX ACCOUNTING (140)

## REGIONAL – 2020

### Multiple Choice & Short Answer Section:

Multiple Choice (20 @ 2 points each) \_\_\_\_\_ (40 points)

### Production Portion:

Job 1: Taxable Income Calculation \_\_\_\_\_ (15 points)

Job 2: AGI, Tax Liability, and Due/Refund \_\_\_\_\_ (57 points)

***TOTAL POINTS*** \_\_\_\_\_ (***112 points***)

**Graders: Please double check and verify all scores and answer keys!**

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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:

This test is using 2018 Federal Income Tax Laws.



**Part 1 Multiple Choice**

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

**Part 2-**

**PROBLEM #1 KEY: 15 Points Total**

1. Brown        \$28,120 (deductions = 12,000)
2. Horton       \$63,600 (deductions = 24,000)
3. Klinger      \$50,140 (deductions = 18,000 + 1,600 over 65)
4. Belinger     \$128,120 (deductions = 12,000)
5. James        \$41,510 (deductions = 18,000 + 3,200 over 65 and blind)



**PROBLEM #2 KEY: 57 Points Total (3 points each)**

***FORM 1040 Page 2***

1. What is the amount on line 1 of the 1040? \$96,884
2. What is the amount on line 2b of the 1040? \$131
3. What is the amount on line 6 of the 1040? \$120  
\$97,135
4. What is the amount on line 7 of the 1040? \$93,921
5. What is the amount on line 8 of the 1040? \$24,000
6. What is the amount on line 10 of the 1040? \$69,921
7. What is the amount on line 11 of the 1040? \$8,010
8. What is the amount on line 12 of the 1040? \$4,000
9. What is the amount on line 13 of the 1040? \$4,010
10. What is the amount on line 15 of the 1040? \$4,010
11. What is the amount on line 16 of the 1040? \$7,100
12. What is the amount on line 19 of the 1040? \$3,090
13. What is the amount on line 20a of the 1040? \$3,090

***Schedule 1, Form 1040***

1. What is the entries on line 21 of Sched 1? Election Poll or Poll Income  
\$120
2. What is the amount on line 23 of Sched 1? \$214
3. What is the amount on line 32 of Sched 1? \$3,000
4. What is the amount on line 36 of Sched 1? \$3,214



**SCHEDULE 1**  
 (Form 1040)

Department of the Treasury  
 Internal Revenue Service

**Additional Income and Adjustments to Income**

▶ Attach to Form 1040.

▶ Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

OMB No. 1545-0074

**2018**  
 Attachment  
 Sequence No. 01

Name(s) shown on Form 1040

Your social security number

BLEAK

Additional Income		1-9b		1-9b	
1-9b	Reserved				
10	Taxable refunds, credits, or offsets of state and local income taxes	10			
11	Alimony received	11			
12	Business income or (loss). Attach Schedule C or C-EZ	12			
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	13			
14	Other gains or (losses). Attach Form 4797	14			
15a	Reserved	15b			
16a	Reserved	16b			
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17			
18	Farm income or (loss). Attach Schedule F	18			
19	Unemployment compensation	19			
20a	Reserved	20b			
21	Other income. List type and amount ▶ Election Poll	21		120	
22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22		120	
Adjustments to Income		23		23	
23	Educator expenses	23		214	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24			
25	Health savings account deduction. Attach Form 8889	25			
26	Moving expenses for members of the Armed Forces. Attach Form 3903	26			
27	Deductible part of self-employment tax. Attach Schedule SE	27			
28	Self-employed SEP, SIMPLE, and qualified plans	28			
29	Self-employed health insurance deduction	29			
30	Penalty on early withdrawal of savings	30			
31a	Alimony paid b Recipient's SSN ▶	31a			
32	IRA deduction	32		3000	
33	Student loan interest deduction	33			
34	Reserved	34			
35	Reserved	35			
36	Add lines 23 through 35	36		3214	

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040) 2018



<b>Form</b>	1040	Department of the Treasury—Internal Revenue Service	(99)	2018	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
<b>U.S. Individual Income Tax Return</b>						
Filing status: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er)						
Your first name and initial <b>USE THIS FOR PROBLEM #2</b>		Last name <b>BLEAK</b>		Your social security number		
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind						
If joint return, spouse's first name and initial		Last name <b>BLEAK</b>		Spouse's social security number		
Spouse standard deduction: <input type="checkbox"/> Someone can claim your spouse as a dependent <input type="checkbox"/> Spouse was born before January 2, 1954 <input type="checkbox"/> Full-year health care coverage or exempt (see inst.)						
<input type="checkbox"/> Spouse is blind <input type="checkbox"/> Spouse itemizes on a separate return or you were dual-status alien						
Home address (number and street). If you have a P.O. box, see instructions.				Apt. no.	Presidential Election Campaign (see inst.) <input type="checkbox"/> You <input type="checkbox"/> Spouse	
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6.						If more than four dependents, see inst. and ✓ here <input type="checkbox"/>
<b>Dependents</b> (see instructions):						
(1) First name		Last name		(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see inst.):
						Child tax credit      Credit for other dependents
						<input type="checkbox"/> <input type="checkbox"/>
						<input type="checkbox"/> <input type="checkbox"/>
						<input type="checkbox"/> <input type="checkbox"/>
						<input type="checkbox"/> <input type="checkbox"/>
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.						
<b>Sign Here</b>	Joint return? See instructions. Keep a copy for your records.	Your signature		Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
		Spouse's signature. If a joint return, <b>both</b> must sign.		Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
<b>Paid Preparer Use Only</b>	Preparer's name	Preparer's signature		PTIN	Firm's EIN	Check it:
	Firm's name ▶			Phone no.		<input type="checkbox"/> 3rd Party Designee
	Firm's address ▶					<input type="checkbox"/> Self-employed
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.						
					Cat. No. 11320B	Form <b>1040</b> (2018)