Contestant Number:

Time:

Rank:

PAYROLL ACCOUNTING

(125)

—Secondary—

REGIONAL – 2015

**Multiple Choice & Short Answer Section:**

Multiple Choice (10 @ 2 points each) (20 points)

Short Answers (23 @ 2 points each) (46 points)

**Production Portion:**

Job 1: Time Cards (1 point each) (40 points)

Job 2: Journalize Payroll Transactions (1 point each) (29 points)

***TOTAL POINTS (135 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 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 decimals
* Assume employees earn overtime for any hours worked over 40 in a week unless otherwise instructed
* All time calculations are rounded to the nearest quarter hour
* Use 6.0% for Social Security Tax on the first $100,000 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. When can an employee claim tax-exempt?

* 1. Never
  2. No tax liability last year and expects none this year
  3. Anytime
  4. Employee is claimed on someone else’s tax return

\_\_\_\_\_ 2. Which of these would result in the most taxes taken out of a paycheck?

a. Single with one allowance

1. Married with no allowances
2. Single with no allowances
3. Married with four allowances

\_\_\_\_\_ 3. How many paychecks in a year will a person receive if he/she gets paid semi-monthly?

* 1. 12
  2. 24
  3. 26
  4. 52

\_\_\_\_\_ 4. If Scott works 43 hours in a week (weekly pay period) and is paid $10.26 per hour, what will be his gross pay?

1. $441.18

b. $410.40

1. $456.57

d. Not enough information to figure

\_\_\_\_\_ 5. The money paid for employee services is called

* 1. Salary
  2. Payroll
  3. Gross pay
  4. Net pay

\_\_\_\_\_ 6. The hospital insurance portion of OASDI (FICA) is financed by

* 1. Federal income tax
  2. Medicare tax
  3. Medicaid
  4. Social security tax

\_\_\_\_\_ 7. Federal law requires employers to pay \_\_\_\_\_\_\_\_\_\_ for overtime.

a. 1.5 times their hourly wage

b. 2.0 times their hourly wage

1. 0.5 times their hourly wage
2. There is no requirement

\_\_\_\_\_ 8. A business form used to record payroll information is called a(n)

1. Employee Earnings record
2. 941 Form
3. Payroll Register
4. Payroll Ledger

\_\_\_\_\_ 9. The employer and employee each must pay

1. Federal and state income tax
2. Unemployment taxes
3. Social security tax and Medicare tax
4. Different taxes

\_\_\_\_\_ 10. Which form needs to be filled out to tell the employer how much tax should be taken out?

* 1. I9
  2. W-2
  3. W-4
  4. 941

**Short Answer: (two points per blank)**

1. Thomas Lasorda works for Philly Pizzeria and is paid biweekly. His annual salary is $45,650 and he is paid time and a half for any hours worked over 80 in a biweekly period. During this payroll period, Thomas worked 3 hours of overtime. Calculate his regular pay, overtime rate, overtime pay, and gross pay for the time period.

Regular salary for biweekly period \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Overtime Rate \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Overtime Pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gross Pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Matilda received her paycheck and was surprised that it was not the amount that she thought it would be. She worked 27 hours this past week and is paid $9.50 per hour. She is exempt from paying federal and state income taxes but must pay social security and Medicare tax. Calculate her gross pay, social security tax, Medicare tax, and net pay.

Gross Pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Social Security Tax \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Medicare Tax \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Net Pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Pedro Guttierez is paid an hourly rate of $10.25 and works 8 hours per day. Pedro also receives an incentive of $0.78 per item he assembles over 120 units in any given work day. He is not penalized for anytime he does not reach 120 units per day. Calculate Pedro’s regular pay, his incentive pay, and his gross pay for the week. Pedro’s production per day are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Monday | Tuesday | Wednesday | Thursday | Friday | **Total Regular Pay** ↓ | **Total Incentive Pay ↓** | **Gross Pay ↓** |
| 176 | 152 | 119 | 127 | 133 |  |  |  |

1. Lin is a salesperson at a local clothing store. She is paid $7.25 per hour and receives 1.59% commission on any weekly sales over $250. If Lin worked 23 hours this past week and her sales totaled $936, calculate her regular earnings, her commission earnings and her total earnings for the week.

Regular earnings \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Commission earnings \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Total earnings \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Calculate the following employer payroll taxes for Professional Business Associates. Total salary for employees for the pay period was $62,325.81. List the correct tax account name in the column for employer tax and the dollar amount for the pay period in the column “amount of tax.” No employee has reached the tax ceiling.

|  |  |
| --- | --- |
| **Employer Tax** | **Amount of Tax** |
|  |  |
|  |  |
|  |  |
|  |  |

1. Vilma is a sales manager and earns commission only (5.25%) based on her department’s net sales. She gets paid once a month. If gross sales for her department were $93,000, returns and allowances were $3,500 and sales discounts amounted to $1,250, calculate her gross earnings for the month.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Production Jobs**

**JOB 1: Time Cards (one point each answer - 40 pts)**

Complete the hours worked for each day during the two-week time period for these two employees. Calculate the regular hours worked, overtime hours worked, total hours worked, regular amount of pay, overtime rate of pay, overtime pay, and total earnings.

Employee No. \_\_\_\_2\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_Kelsi James \_\_\_\_\_\_\_\_\_\_\_\_\_

Pay Period Ended: December 20, 20xx

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Morning | | Afternoon | | Overtime | | Hours | |
| IN | OUT | IN | OUT | IN | OUT | REG | OT |
| 7:59 | 1:01 | 2:03 | 5:01 | 5:30 | 7:02 |  |  |
| 8:02 | 12:01 | 1:02 | 5:02 |  |  |  |  |
| 7:56 | 11:57 | 12:59 | 5:03 |  |  |  |  |
| 8:00 | 12:00 | 1:00 | 5:00 | 5:30 | 7:03 |  |  |
| 8:01 | 12:02 | 1:03 | 5:05 |  |  |  |  |
| 7:57 | 11:58 | 1:01 | 5:05 |  |  |  |  |
| 8:02 | 12:01 | 1:04 | 4:59 |  |  |  |  |
| 7:58 | 11:59 | 1:02 | 5:00 |  |  |  |  |
| 8:04 | 12:04 | 1:01 | 5:02 |  |  |  |  |
| 8:01 | 12:02 | 2:04 | 6:00 | 6:01 | 7:33 |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Regular | Hours | Rate | Amt of Pay |
|  | 9.75 |  |
| Overtime |  |  |  |
| Total Hours |  | Total Earnings |  |

Employee No. \_\_\_\_1\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_Jason Smith\_\_\_\_\_\_\_\_\_\_\_\_\_

Pay Period Ended: December 20, 20xx

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Morning | | Afternoon | | Overtime | | Hours | |
| IN | OUT | IN | OUT | IN | OUT | REG | OT |
| 7:58 | 11:59 | 1:02 | 5:04 |  |  |  |  |
| 8:02 | 11:56 | 12:59 | 4:58 | 5:00 | 6:32 |  |  |
| 8:01 | 12:04 | 1:05 | 5:02 |  |  |  |  |
| 8:03 | 11:57 | 1:01 | 5:02 | 5:03 | 6:01 |  |  |
| 7:56 | 11:55 | 1:02 | 5:01 |  |  |  |  |
| 7:59 | 12:01 | 1:01 | 5:02 |  |  |  |  |
| 8:03 | 11:57 | 1:07 | 5:05 |  |  |  |  |
| 8:00 | 12:00 | 1:00 | 5:00 | 6:33 | 8:05 |  |  |
| 8:02 | 12:01 | 1:01 | 5:03 |  |  |  |  |
| 7:57 | 11:56 | 1:00 | 5:01 |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Regular | Hours | Rate | Amt of Pay |
|  | 9.35 |  |
| Overtime |  |  |  |
| Total Hours |  | Total Earnings |  |

**Job 2: Journalize Payroll Transactions (one point each answer - 29 points)**

Journalize the following payroll transactions. Use a General Journal.

December 20. Paid cash for two-week payroll, $5,256.33 (total payroll $6,208.93), less deductions for employee income tax, $326.00; social security tax $315.38; Medicare tax, $76.22; health insurance premiums, $185.00; U.S. Savings Bonds, $50.00. Check No. 515.

December 20. Recorded employer payroll taxes for the two-week payroll. Taxes owed are: Social Security tax, $315.38; Medicare tax, $76.22, Federal Unemployment tax, $49.67, and State Unemployment tax, $335.28. Memorandum No. 56.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| GENERAL JOURNAL PAGE 5 | | | | | | |
| Date | | Account Title | Doc  No. | Post  Ref | Debit | Credit |
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