



COLLEGE PAYROLL ACCOUNTING (130)

—Post-secondary—
REGIONAL – 2017

Multiple Choice, Matching, & Short Answer Section:

Multiple Choice (15 @ 2 points each) _____ (30 points)
Matching (10 @ 2 points each) _____ (20 points)
Short Answer: Pay Conversions (20 @ 2 points each) _____ (40 points)

Production Portion:

Job 1: Journal Entries (37 @ 1 point each) _____ (37 points)
Job 2: FUTA/SUTA Calculation & Entry (19 @ 1 point each) _____ (19 points)

TOTAL POINTS _____ ***(146 points)***

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



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 decimal places
- Assume employees earn overtime for any hours worked over 40 hours in a week unless otherwise instructed
- All time calculations are rounded to the nearest quarter hour unless otherwise instructed
- Income Tax Withholding Tables are provided at the end of the assessment
- Use 6.2% for Social Security Tax on the first \$118,500 in wages
- 1.45% for Medicare Tax for all wages
- Use 5.4% for State Unemployment Tax and 0.6% for Federal Unemployment Tax
- Taxable limits on SUTA is the first \$10,000 of wages and for FUTA it is the first \$7,000 of wages



Part 1: Multiple Choice - 2 points each (30 points)

1. B
2. C
3. D
4. D
5. C
6. B
7. C
8. B
9. D
10. D
11. B
12. D
13. C
14. B
15. D

Part 1: Matching - 2 points each (20 points)

1. D
2. G
3. F
4. E
5. H
6. C
7. J
8. B
9. I
10. A



Part 1: Short Answer (20 @ 2 points each)

Pay Rate Conversions:

SALARY	EQUIVALENT RATE PER HOUR	EQUIVALENT YEARLY SALARY
\$780 per week	19.50	40,560
\$1,274 biweekly	15.93	33,124
\$3,866 monthly	22.30	46,392
\$1,899 semi-monthly	21.91	45,576
\$9,485 quarterly	18.24	37,940

RATE PER HOUR	EQUIVALENT YEARLY SALARY	EQUIVALENT BI-WEEKLY PAY
\$14.74	30,659.20	1,179.20
\$9.55	19,864.00	764.00
\$13.63	28,530.40	1090.40
\$26.44	54,995.20	2,115.20
\$32.66	67,932.80	2,612.80



Job #1 (37 @ 1 point each):

Complete the journal entry for both the employee's and employer's side of Omni Company's first payroll of the year paid on January 8, 2016. See the information below.

Omni has 4 employees, the information for the pay period for *each* employee is the same.

Wages paid and Taxes withheld from *EACH* employee for the pay period:

Gross wages: \$1,225

OASDI Withheld: \$75.95

HI Withheld: \$17.76

FIT Withheld: \$153.00

Group Insurance Premium Collected: \$35.00

401K Contribution: 4% of gross salary

ACCOUNT NUMBERS TO USE FOR POST REFERENCE:

11- CASH

22- OASDI PAYABLE

23- HI PAYABLE

24- FIT PAYABLE

25- GROUP INSURANCE PREMIUMS COLLECTED

26- EE 401K PAYABLE

27- FUTA PAYABLE

28- SUTA PAYABLE

53- SALARIES EXPENSE

54- PAYROLL TAX EXPENSE

JOURNAL				PAGE 11
DATE	ACCOUNT DESCRIPTION	POST. REF.	DEBIT	CREDIT
1/8/2016	SALARIES EXPENSE	53	4900.00	
	OASDI PAYABLE	22		303.80
	HI PAYABLE	23		71.04
	FIT PAYABLE	24		612.00
	GROUP INS PREM COLLECTED	25		140.00
	EE 401K PAYABLE	26		196.00
	CASH	11		3577.16
	PAYROLL TAX EXPENSE	54	668.85	
	OASDI PAYABLE	22		303.80
	HI PAYABLE	23		71.05
	FUTA PAYABLE	27		29.40
	SUTA PAYABLE	28		264.60



Job #2: FUTA/SUTA Calculations and Employer Entry (19 @ 1 point each)

On April 17, 2015 Simpson Company paid its 16th weekly payroll of the year. Calculate the FUTA and SUTA liabilities for the 15th and 16th payrolls assuming Simpson has 6 employees and all employees make \$640 per week.

<u>PAYROLL #</u>	<u>WEEKLY TOTAL WAGES</u>	<u>TAXABLE FUTA WAGES</u>	<u>FUTA TAX</u>	<u>TAXABLE SUTA WAGES</u>	<u>SUTA TAX</u>
15	3840.00	0.00	0.00	3840.00	207.36
16	3840.00	0.00	0.00	2400.00	129.60

JOURNALIZE THE *ENTIRE* EMPLOYER'S TAX LIABILITY FOR THE 16th PAYROLL BELOW

DATE	ACCOUNT DESCRIPTION	DEBIT	CREDIT
4/17/15	PAYROLL TAX EXPENSE	423.36	
	OASDAI PAYABLE		238.08
	HI PAYABLE		55.68
	SUTA PAYABLE		129.60