

Contestant Number: \_\_\_\_\_

Time: \_\_\_\_\_

Rank: \_\_\_\_\_



# Payroll Accounting (125)

## REGIONAL 2024

### CONCEPT KNOWLEDGE:

Matching/Multiple Choice (30 @ 2 points each) \_\_\_\_\_ (60 points)

### APPLICATION KNOWLEDGE:

Short Answer (13 @ 3 points each) \_\_\_\_\_ (39 points)

Job 1: Time Card \_\_\_\_\_ (37 points)

Job 2: Employee Taxes \_\_\_\_\_ (40 points)

***TOTAL POINTS*** \_\_\_\_\_ ***(176 points)***

## Test Time: 60 minutes

### **GENERAL GUIDELINES:**

*Failure to adhere to any of the following rules will result in disqualification:*

1. Member must hand in this test booklet and all printouts if any. 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 (handwritten, photocopied, or keyed) are allowed in the testing area.
3. Electronic devices will be monitored according to ACT standards.

### **EXAM GUIDELINES:**

You have been hired as a Financial Assistant and will be keeping the accounting records for Digital Solutions, located at 700 Morse Road, Suite 201, Columbus, Ohio 43214. Digital Solutions provides accounting and other financial services for clients. You will complete jobs for Digital Solutions' own accounting records, as well as for clients.

You will have 60 minutes to complete your work. The test is divided into two parts: concept knowledge and application knowledge.

Your name and/or school name should *not* appear on any work you submit for grading. Write your Member ID in the provided space. Staple all pages in order before you turn in your test.

Assumptions to make when taking this assessment:

- Round all percentages to two decimal places unless otherwise indicated.
- Assume all employees earn overtime for any hours worked over 40 hours in a week unless otherwise instructed.
- All calculations regarding time should be rounded to the nearest quarter hour.
- Use 6.2% 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 no employee has accumulated earnings in excess of the social security tax, SUTA, or FUTA base unless otherwise indicated.

### Multiple Choice Questions

*Directions:* Identify the letter of the choice that best completes the statement or answers the question.

- |       |  |                          |
|-------|--|--------------------------|
| _____ | 1. The total amount paid by a business for an employee's work, earned by wage, salary, or commission       | A. pay period            |
| _____ | 2. A fixed annual sum of money divided among equal pay periods   | B. hourly wage           |
| _____ | 3. A device used to record the dates and times of every employee's paycheck.                               | C. total earnings        |
| _____ | 4. The amount paid to an employee for every hour worked  | D. Medicare tax          |
| _____ | 5. A deduction from total earnings for each person legally supported by a taxpayer, including the employee | E. payroll taxes         |
| _____ | 6. A federal tax paid for old-age, survivors and disability insurance                                      | F. overtime              |
| _____ | 7. The number of days or weeks of work covered by an employee's paycheck.                                  | G. social security tax   |
| _____ | 8. Taxes based on the payroll of a business  | H. time card             |
| _____ | 9. A federal tax paid for hospital insurance   | I. withholding allowance |
| _____ | 10. Pay for hours worked over 40 hours in a pay period   | J. salary                |
11. Karyssa started a new job and was told she would be paid bi-weekly. Usually, how many times will that be a month?
- one
  - two
  - three
  - four
12. Marisol was trying to figure out how many hours she had worked today. She came in at 8:10 a.m. and left at 12:10 p.m. How many hours did Marisol work?
- 4 hours
  - 4 hours 30 minutes

- C. 4 hours 10 minutes
  - D. 4 hours 15 minutes
13. An hourly employee's total earnings are calculated as regular hours X regular rate, plus overtime hours X \_\_\_\_.
- A. regular rate
  - B. salary rate
  - C. overtime rate
  - D. regular hours
14. Social security tax is only paid by the employer.
- A. True
  - B. False
15. Sam started a new job and was told his check would be an electronic transfer on payday to his account. What type of deposit is this?
- A. Fixed Deposit
  - B. Recurring Deposit
  - C. Direct Deposit
  - D. Money Market Deposit
16. When an employee's accumulated earnings exceed the tax base, which tax is no longer deducted?
- A. Medicare Tax
  - B. Social Security Tax
  - C. Federal Income Tax
  - D. Unemployment Tax
17. Riley just got a new job with the responsibilities of compiling and computing payroll data. He will also have to prepare, journalize and post payroll transactions. What is his new position?
- A. Accounts Receivable Clerk
  - B. Booking Clerk
  - C. Payroll Clerk
  - D. Information Clerk
18. Total earnings are referred to as \_\_\_\_.
- A. Net Earnings
  - B. Net Pay
  - C. Gross Deductions
  - D. Gross Earnings
19. Employee regular earnings are calculated as \_\_\_\_\_.
- A. regular earnings times regular rate
  - B. regular hours times regular rate
  - C. total hours plus overtime rate
  - D. total hours divided by regular rate

20. Johnathan started a new job that has a salary of \$64,700, and he will be paid bi-weekly. How many times a year will Johnathan be paid?
- A. 24
  - B. 26
  - C. 48
  - D. 52
21. When an employee is first hired, which form should they fill out so that the employer knows how much federal tax they can withhold from pay?
- A. W-4
  - B. W-2
  - C. W-9
  - D. I-9
22. Total pay minus all deductions is \_\_\_\_.
- A. gross pay
  - B. total pay
  - C. net pay
  - D. extra pay
23. How many hours were worked by an employee who arrived at 7:05 a.m. and left at 8:05 p.m. with one hour off for lunch and two, unpaid, 15-minute breaks?
- A. 11 hours
  - B. 9 ½ hours
  - C. 11 ½ hours
  - D. 13 hours
24. A payroll register is a form that summarizes earnings, deductions and net pay of all employees for a pay period.
- A. True
  - B. False
25. What is the acronym when combining social security tax and Medicare tax?
- A. FDIC
  - B. SSM
  - C. FICA
  - D. MSS
26. An employee was hired with the pay rate of \$13.50 an hour with time and a half for anything over 40 hours a week. How much was his gross pay for working 46 hours?
- A. \$621.00
  - B. \$624.00
  - C. \$661.50
  - D. \$720.50

27. The form sent to all employees annually that has information about the income made, taxes withheld and benefits for the year is a \_\_\_\_.
- A. I-9 form
  - B. W-4 Form
  - C. W-2 Form
  - D. 1099 Form
28. Asher has a gross pay of \$4,750 a month. What is the yearly salary?
- A. \$40,750
  - B. \$57,000
  - C. \$58,750
  - D. \$48,750
29. A single person with zero deductions will have \_\_\_\_ income tax withheld than a married couple with dependents, given the same amount of taxable income.
- A. more
  - B. the same
  - C. less
  - D. equal
30. An employer must have an employee complete a W-4 Form \_\_\_\_.
- A. before each pay period
  - B. every anniversary with the company
  - C. every 6 months
  - D. at the time of hire

**Short Answer – 3 points each**

1. Joshua was just hired for a company paying him \$21.50 per hour with time a half paid for weekly overtime.

How much will Joshua earn if he works 40 hours in a week? \_\_\_\_\_

How much will Joshua earn if he works 45 hours in a week? \_\_\_\_\_

How much will Joshua earn if he works 48 hours in a week? \_\_\_\_\_

2. Deandra found a listing for a job that will pay her \$65,480 a year. Deandra will be paid on the 1<sup>st</sup> and the 15<sup>th</sup> of each month.

How much will she make each pay period? \_\_\_\_\_

How much would she make each period if she was paid biweekly instead? \_\_\_\_\_

3. Sierra worked 54 hours this week. She is paid \$23.50 an hour. Find the following information for Sierra.

Regular Pay \_\_\_\_\_

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

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

4. Yolanda has an annual salary of \$126,500 to work 40 hours a week. Solve what Yolanda will make for each option below.

Monthly	Bi-Weekly	Weekly	Hourly	Overtime Rate per Hour

**Job 1 – Time Card – 37 points**

Jaylen is employed at a job that compensates him at a rate of \$22.00 per hour. Overtime is applicable for any hours worked beyond 8 hours per day or 40 hours per week. He is allowed an unpaid one-hour lunch break during each 8-hour workday, which should be excluded from the total hours worked. Complete the timecard by finding the regular and overtime hours for each day, then enter the totals for each column. Finally, calculate the earnings below.

**Regular Pay** \_\_\_\_\_

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

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

	IN	OUT	REG	OT
Sun	0	0		
Mon	7:30	5:00		
Tues	7:55	5:55		
Wed	8:00	7:45		
Thurs	8:00	6:30		
Fri	7:45	6:15		
Sat	1:00	3:30		
<b>TOTALS</b>				

**Job 2 - Employee Taxes and Net Pay – 40 Points**

Calculate employee taxes using the information below. Use 20% for the Federal Income Tax rate, 6.2% for Social Security Tax, and 1.45% for Medicare Tax.

EMPLOYEE'S NAME	GROSS PAY	FEDERAL INCOME TAX	SOCIAL SECURITY TAX	MEDICARE TAX	Net Pay
Malory Heart	\$1,441.50				
Aiden Lopez	\$1,209.00				
George Lopez	\$1,364.00				
Alianna Rangel	\$1,302.00				
Bryanna Sanchez	\$1,274.00				