



Payroll Accounting

(125)

REGIONAL 2025

Multiple Choice & Matching:

Multiple Choice (15 @ 2 points each) _____ (30 points)

Short Answer (12 @ 2 points each) _____ (24 points)

Production:

Job 1: Salaried Employees (20 @ 1 point each) _____ (20 points)

Job 2: Payroll Register (40 @ 1 point each) _____ (40 points)

Job 3: Payroll Entry (15 @ 1 point each) _____ (15 points)

TOTAL POINTS _____ (***129 points***)

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

General Instructions

You have been hired as a Payroll Clerk 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 calculations to two decimals
- Assume employees earn an overtime rate of 1 ½ times for any hours worked over 40 in a week unless otherwise instructed (This includes Multiple Choice, Short Answer and Jobs)
- All time calculations are rounded to the nearest quarter hour
- Use 6.2% for Social Security Tax on the first \$118,500 in wages
- Use 1.45% for Medicare Tax for all wages
- Use 5.4% for State Unemployment Tax and 0.8% for Federal Unemployment Tax (\$7,000 ceiling)
- Assume that no employee has accumulated earnings in excess of the social security tax, SUTA, or FUTA base unless otherwise indicated.

Multiple Choice (15 @ 2 points each = 30 points)

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

Short Answer: (12 @ 2 points each = 24 points)

1. a. **\$18.60**
 b. **\$24.80**
2. **\$2,415.38**
3. **\$58,080**
4. a. **\$464.00**
 b. **\$272.60**
 c. **\$736.60**
5. **\$460.87**
6. a. **\$620.00**
 b. **\$161.43**
 c. **\$458.57**
7. **\$374.40**

Job 1: Salaried Employees (20 @ 1 point each = 20 points)

Annual Salary	Monthly Salary	Semi-Monthly Salary	Bi-Weekly Salary	Weekly Salary	Hourly Rate
\$ 64,800	\$5,400.00	\$2,700.00	\$2,492.31	\$1,246.15	\$31.15
\$ 42,740	3,561.67	1,780.83	1,643.85	821.92	20.55
\$108,630	9,052.50	4,526.25	4,178.08	2,089.04	52.23
\$ 59,820	4,985.00	2,492.50	2,300.77	1,150.38	28.76

Job 2: Payroll Register (40 @ 1 point each = 40 points)

Employee	EARNINGS			Federal Income Tax	State Income Tax	Social Security Tax	Medicare Tax	Health Insurance	Total Deductions	Net Pay
	Regular	Overtime	Total							
1	\$1,840	0	1,840	\$192	101.20	114.08	26.68	\$240	673.96	1,166.04
2	1,560	\$122	1,682	165	92.51	104.28	24.39	100	486.18	1,195.82
3	1,775	268	2,043	178	112.37	126.67	29.62	165	611.66	1,431.34
4	1,490	0	1,490	134	81.95	92.38	21.61	75	404.94	1,085.06
5	2,200	\$188	2,388	221	131.34	148.06	34.63	180	715.03	1,672.97
TOTALS	8,865	578	9,443	890	519.37	585.47	136.93	760	2,891.77	6,551.23

Job 3: Payroll Entry (15 @ 1 point each = 15 points)

NOTE TO GRADER: Accept variations in account titles because of various textbooks used by students. Award points for account title as long as the student had the word “**payable**” or “**expense**” if required.

GENERAL JOURNAL				
DATE	DESCRIPTION	POST REF	DEBIT	CREDIT
2024				
Jan. 12	Salary Expense		9,443.00	
	Federal Income Tax Payable			890.00
	State Income Tax Payable			519.37
	Social Security Tax Payable			585.47
	Medicare Tax Payable			136.93
	Health Insurance Payable			760.00
	Cash			6,551.23