

**Inv. B - 1997**

**Determine when each of the following items would be journalized with the salary expense entry, or the payroll tax expense entry, or both. Write the correct identifying letter on your answer sheet using the following code:**

**A. with the salary expense entry**

**B. with the payroll tax expense entry**

**C. with both the salary expense entry and the payroll tax expense entry**

- 29. employees' federal income taxes
- 30. net pay for the period
- 31. state unemployment taxes
- 32. FICA taxes
- 33. hospital insurance premiums paid by employees
- 34. federal unemployment taxes

**District 1 - 1997**

- 75. In preparing a payroll, employers do not make deductions from employees' pay for
  - A. federal unemployment taxes
  - B. FICA taxes
  - C. federal income taxes
  - D. voluntary group insurance
- 76. The total of the Federal Income Tax column of the payroll register is credited to
  - A. a revenue account
  - B. an asset account
  - C. an expense account
  - D. a liability account
- 77. A calendar year company has 10 employees who earned a total of \$30,000 in January (\$3,000 each). Social security taxes are 6.2% and medicare tax is 1.45%. The employer is required to match at the same rates. Federal income tax withholdings amount to \$4,500. State unemployment taxes are 2.7% on a maximum per employee of \$9,000. Federal unemployment taxes are .8% on a maximum per employee of \$7,000. The gross pay of the 10 employees for January is
  - A. \$22,155
  - B. \$23,205
  - C. \$23,640
  - D. \$27,705
  - E. \$30,000
- 78. Refer to the data in questions #77. The employer's payroll tax expense for January amounts to
  - A. \$1,050
  - B. \$2,295
  - C. \$3,345
  - D. \$6,795
- 79. IRS Form 941
  - A. lets the employees indicate to the employer how much income tax should be withheld from their pay
  - B. reports the company's previous year's wages and taxes withheld to accompany the W-2's
  - C. is filed annually
  - D. includes among other things a reporting of the wages and federal income taxes withheld for the quarter
- 80. Taxes such as FICA tax, federal unemployment tax, and state unemployment tax as a group are frequently referred to as
  - A. city taxes
  - B. payroll taxes
  - C. income taxes
  - D. sales taxes

**District 2 - 1997**

60. Which of the following payroll taxes does not affect the payroll tax expense of an employer?
- A. federal income tax                      C. FICA tax  
B. federal unemployment tax              D. state unemployment tax
61. Until the amounts withheld from employee's earnings for federal income tax and FICA tax are sent to the Internal Revenue Service, the amounts withheld represent
- A. a liability of the business              C. an asset of the business  
B. an expense of the business              D. a revenue of the business
62. A W-2 form exhibits all of the following information except
- A. employee's social security number  
B. federal income tax withheld  
C. social security tax withheld  
D. gross pay  
E. net pay
63. The journal entry to record the employer payroll taxes can include
- A. a debit to Cash  
B. a debit to Payroll Taxes Payable  
C. a credit to State Income Taxes Payable  
D. a credit to State Unemployment Taxes Payable  
E. is not necessary since employers do not have to pay payroll taxes
64. A calendar year company has 10 employees who earned a total of \$30,000 in January (\$3,000 each). Social security taxes are 6.2% and Medicare tax is 1.45%. The employer is required to match at the same rates. Federal income tax withholdings amount to \$4,500. State unemployment taxes are 2.7% on a maximum of \$9,000. Federal unemployment taxes are .8% on a maximum of \$7,000. The net pay of the 10 employees for January is
- A. \$19,860    B. \$22,155    C. \$23,205    D. \$23,640    E. \$27,705
65. Refer to the data in question #64. The employer's payroll tax expense for January amounts to
- A. \$1,050    B. \$2,295    C. \$3,345    D. \$6,795

**District 1 & 2 – 1998****Table 2****Salary and Payroll Tax Data for 1997:**

- ♦The employee and employer pay social security tax at the rate of 6.2% on the first \$65,400 in earnings.
- ♦The employee and employer pay Medicare tax at the rate of 1.45% on all earnings.
- ♦State unemployment taxes are paid on the first \$9,000 in wages per employee at a rate of 2.7%.
- ♦Federal unemployment taxes are paid on the first \$7,000 in wages per employee at a rate of .8%.
- ♦Disregard federal income tax withholding for this problem.
- ♦The earnings for the calendar year 1997 for the employees of Donaldson & Peterson, Engineers :

Employee	Total 1997 Earnings
Anderson, Michael	75,000
Gunn, Kay	6,900
Fisher, Patti	12,800
Walker, Jay	47,500

**Refer to the data in Table 2. Write the letter of the best response on your answer sheet.**

57. How much did the four employees have withheld from their pay for social security taxes?  
 A. \$4,054.80                      D. \$ 9,308.70  
 B. \$8,221.20                      E. \$10,143.90  
 C. \$8,816.40
58. How much did the four employees have withheld from their pay for Medicare taxes?  
 A. zero                              D. \$3,845.40  
 B. \$1,922.70                      E. \$4,123.80  
 C. \$2,061.90
59. What portion of the total 1997 employer payroll tax expense was attributed to the FICA tax?  
 A. zero                              D. \$10,283.10  
 B. \$ 8,221.20                      E. \$10,878.30  
 C. \$10,143.90
60. What portion of the total 1997 employer payroll tax expense was attributed to the federal unemployment tax?  
 A. \$223.20                          D. \$1,060.80  
 B. \$224.00                          E. \$1,137.60  
 C. \$753.30
61. What portion of the total 1997 employer payroll tax expense was attributed to the state unemployment tax?  
 A. \$271.20                          D. \$972.00  
 B. \$753.30                          E. \$3,580.20  
 C. \$915.30                          F. \$3,839.40
62. Who had to pay federal unemployment taxes?  
 A. Anderson only  
 B. all four of the employees  
 C. Anderson and Walker only  
 D. the employees and the employer  
 E. Donaldson & Peterson, Engineers as employer
63. The total amount posted to the Salaries Expense account for 1997 is  
 A. \$11,421.60                      D. \$132,600.00  
 B. \$12,016.80                      E. \$142,200.00  
 C. \$15,855.30
64. Determine the total expense to the employers of having employed Patti Fisher for 1997 (include salary and payroll tax expense).  
 A. \$1,278.20                      D. \$14,180.80  
 B. \$1,427.20                      E. \$14,227.20  
 C. \$14,078.20
65. Kay Gunn was a part-time employee and worked no overtime hours in 1997. Her pay rate was the same all year at \$6 per hour. Which of the following represents the time that she worked in 1997?

	Hours <u>Per Day</u>	Days <u>Per Week</u>	Number <u>of Weeks</u>
A.	4	6	47
B.	6	4	52
C.	5	5	46
D.	4.5	5	51

**Regional 2002 – Group 8**

\*53. Bridger Company has three employees who are paid weekly as follows:

Connie Ashton	\$8.50 per hour with overtime over 40 hours at time and a half
Barry Dial	\$675 salary per week
George Thyme	\$300 salary per week plus 5% commission on sales

Last week Connie worked 46 hours and George sold \$10,500 of merchandise. What is the total gross pay for the week on the Payroll Register for all three employees?

For questions 56 and 57, payroll tax expense per employee is based on the following:

<b>Social Security</b>	<b>6.2% on gross earnings up to \$80,400</b>
<b>Medicare</b>	<b>1.45% on all earnings</b>
<b>Federal Unemployment Tax</b>	<b>.8% on first \$7,000 of gross earnings</b>
<b>State Unemployment Tax</b>	<b>2.45% on first \$9,000 gross earnings</b>

\*56. An employee has cumulative gross wages of \$6,000 in the first quarter. In the second quarter, if the current gross wages are \$1,500, what is the total amount of payroll tax expense on this employee for the second quarter only?

\*57. A second employee has cumulative gross wages of \$8,500 in the first quarter. In the second quarter, if current gross wages are \$2,000, what is the total amount of payroll tax expense on this employee for the second quarter only?

**Regional 2004 – Group 9**

Use the following information for questions 46 and 47. Rates for the employee payroll tax withholdings and the employer's applicable payroll taxes are as follows:

<b>Social Security</b>	<b>6.2% on gross earnings up to \$87,000</b>
<b>Medicare</b>	<b>1.45% on all earnings</b>
<b>Federal Unemployment Tax</b>	<b>.8% on first \$7,000 of gross earnings</b>
<b>State Unemployment Tax</b>	<b>.6% on first \$9,000 of gross earnings</b>
<b>Federal Income Tax</b>	<b>Disregard</b>

Earnings for the calendar year 2003 for the employees of Jade Real Estate are as follows:

<b>Employee</b>	<b>Cumulative Earnings</b>
<b>Jenny</b>	<b>\$89,000</b>
<b>Alexa</b>	<b>12,000</b>
<b>Bonnie</b>	<b>8,000</b>
<b>Della</b>	<b>5,000</b>

\*46. What is the total amount of payroll taxes paid by all the employees?

- |            |            |
|------------|------------|
| A. \$1,653 | D. \$8,597 |
| B. \$6,944 | E. \$8,721 |
| C. \$7,068 | F. \$8,991 |

\*47. What is the total amount of payroll tax expense incurred by the employer?

- |            |             |
|------------|-------------|
| A. \$8,991 | D. \$ 9,115 |
| B. \$9,007 | E. \$10,317 |
| C. \$9,075 | F. \$10,441 |

**2007 Inv. B - Group 7**

It is company policy to record any necessary journal entries and to update the checkbook balance after the bank reconciliation is completed. For questions 42 and 43, write the correct amount on your answer sheet.

**Data:** Bank Service Charge for February is \$8.50

Deposits in transit on February 28 are \$4,690.22 and \$3,218.76

Reconciled bank balance on February 28 is \$9,216.48

Outstanding checks on February 28 are \$12.50, \$3,497.59, and \$4,284.35

- \* 42. Given the above facts, what was the amount that was printed on the bank statement as the closing balance for February 28?
43. What was the balance in the cash account in the accounting records prior to reconciling the bank statement?

**2007 D-1 Group 2**

The following employees of Stapler Co. are paid an hourly wage plus overtime at a rate of 1½ times the regular rate of pay for hours worked over 40 in a week. The company is closed on weekends and there was not a national or company holiday this week.

Employee	Hourly Wage	Mon	Tues	Wed	Thur	Fri
Blaze Turner	\$8.00	7.5	8	13	8	6
Edith Morris	\$12.50	9	10	9.5	11.5	12
Kelly Webb	\$10.00	8	9	9	9	8
Jason Alexander	\$14.00	9	6	10	7	5

For question #7, write the correct amount on your answer sheet.

- \* 7. What is the total gross pay for all of the employees for the week?

**2007 D-2 Group 2**

The following employees of Butler Co. are paid an hourly wage plus overtime at a rate of 1½ times the regular rate of pay for hours worked over 40 in a week. The company is closed on weekends and there was not a national or company holiday this week.

Employee	Hourly Wage	Mon	Tues	Wed	Thur	Fri
Blaze Turner	\$8.00	9	8	13	8	6
Edith Morris	\$12.50	11	10	9.5	11.5	12
Kelly Webb	\$10.00	12	9	9	9	8
Jason Alexander	\$14.00	9	6	10	7	5

For question #7, write the correct amount on your answer sheet.

- \* 7. What is the total gross pay for all of the employees for the week?

**2007 D-2 Group 11****Table 2** (for questions 60 through 69)

**Froogle Company has the following payroll policies and other information:**

<b>Payroll Period</b>	<b>Monthly</b>
<b>Standard Work Week</b>	<b>40 hours per week</b>
<b>Overtime Pay</b>	<b>Time and a half for hours over standard</b>
<b>Social Security Rate (employer and employee)</b>	<b>6.2% on gross earnings up to \$97,500 per employee</b>
<b>Medicare Rate</b>	<b>1.45% on all gross wages</b>
<b>Employee Federal Income Tax</b>	<b>Disregard</b>
<b>FUTA (federal unemployment tax)</b>	<b>.8% on first \$7,000 gross earnings per employee</b>
<b>SUTA (state unemployment tax)</b>	<b>2.0% on first \$9,000 gross earnings per employee</b>
<b>Jake Freeman's Gross Earnings from January 1 through February 28</b>	<b>\$6,200</b>

**Refer to Table 2 above. In the month of March, Jake worked the standard number of hours each day and was responsible for generating \$62,000 in company sales.**

**For questions 60 - 69, write the identifying letter of the best response on your answer sheet.**

60. What are Jake's total gross earnings for March?  
 A. \$1,240    B. \$1,860    C. \$2,100    D. \$2,500    E. \$4,360    F. \$6,200
61. Total gross earnings are   ?   to an account called   ?  .  
 A. credited    /    Salaries Expense  
 B. debited    /    Salary Expense  
 C. credited    /    Payroll Tax Expense  
 D. debited    /    Payroll Tax Expense
62. Details about each employee's paycheck for one specific pay period are first recorded in the  
 A. Form W-2                      D. Form 941  
 B. Form W-4                      E. Employee Earnings Record  
 C. Payroll Register
63. What is the amount withheld from Jake's March gross pay for social security tax?  
 A. zero                              E. \$155.00  
 B. \$ 76.88                          F. \$270.32  
 C. \$115.32                          G. \$384.40  
 D. \$130.20
64. The amount of social security tax withheld from Jake's pay would be   ?   to the account called   ?  .  
 A. debited    /    Social Security Tax Payable  
 B. credited    /    Social Security Tax Payable  
 C. debited    /    Salary Expense  
 D. credited    /    Cash in Bank

65. What is the amount withheld from Jake's March gross pay for Medicare tax?

- |            |            |
|------------|------------|
| A. zero    | E. \$36.25 |
| B. \$17.98 | F. \$63.22 |
| C. \$26.97 | G. \$89.90 |
| D. \$30.45 |            |

\* 66. What is the amount withheld from Jake's March gross pay for state unemployment tax?

- |            |            |
|------------|------------|
| A. zero    | E. \$42.00 |
| B. \$16.00 | F. \$50.00 |
| C. \$24.80 | G. \$56.00 |
| D. \$37.20 | H. \$87.20 |

**Group 11 continued**

67. The employee's year-to-date gross earnings or the employee's gross earnings from the beginning of the year through the end of each pay period is called

- |                     |                             |
|---------------------|-----------------------------|
| A. accrued earnings | C. accumulated earnings     |
| B. built-up pay     | D. earnings amassed to-date |

68. What is the amount of the employer's liability for federal unemployment tax (in regards to Jake's March payroll information)?

- |                          |            |               |
|--------------------------|------------|---------------|
| A. zero                  | E. \$14.88 | I. \$ 34.88   |
| B. \$0.80 (eighty cents) | F. \$16.80 | J. \$ 49.60   |
| C. \$6.40                | G. \$20.00 | K. \$ 640.00  |
| D. \$9.92                | H. \$22.40 | L. \$2,240.00 |

\*\*\* 69. What is the amount that is debited to Payroll Tax Expense (in regards to Jake's March payroll information)?

- |            |             |             |
|------------|-------------|-------------|
| A. zero    | C. \$122.08 | E. \$395.94 |
| B. \$62.40 | D. \$333.54 | F. \$455.62 |

**Regional 2009 – Group 3**

Use the following information for question 26. Write the identifying letter of the correct amount on your answer sheet.

Payroll tax expense per employee is based on the following:

<b>Social Security</b>	<b>6.2% on gross earnings up to \$102,000</b>
<b>Medicare</b>	<b>1.45% on all earnings</b>
<b>Federal Unemployment Tax</b>	<b>.8% on first \$7,000 of gross earnings</b>
<b>State Unemployment Tax</b>	<b>.25% on first \$9,000 of gross earnings</b>
<b>Federal Income Tax</b>	<b>Disregard</b>

The applicable employer matching taxes are at the same rate as the employee rate.

The earnings for the calendar year 2008 for the employees of Healthy You Fitness Center are as follows:

<b>Employee</b>	<b>Cumulative Earnings</b>
<b>Michele Grayson</b>	<b>110,000</b>
<b>Terri Browning</b>	<b>101,000</b>
<b>Sam Blackburn</b>	<b>9,200</b>
<b>Blaine Whiteson</b>	<b>8,760</b>
<b>Darlene Redding</b>	<b>6,820</b>
<b>Sara Greenway</b>	<b>6,440</b>

\* 26. What is the total amount of payroll tax expense incurred by the employer?

- |                |                |
|----------------|----------------|
| A. \$18,467.06 | E. \$18,982.46 |
| B. \$18,486.46 | F. \$19,589.41 |
| C. \$18,504.83 | G. \$21,073.14 |
| D. \$18,529.14 | H. \$30,618.91 |

**Regional 2010 – Group 8**

For question #49, write the correct amount on your answer sheet. Fayro Company has three employees who are paid weekly as follows:

<b>Frankie Futrelle</b>	<b>\$13 per hour with overtime for hours worked over 40 hours in a week at a rate of time and a half</b>
<b>John Curtis</b>	<b>\$950 salary per week</b>
<b>Patsy Price</b>	<b>\$600 salary per week plus 4.5% commission on sales</b>

Last week each employee worked standard hours except Frankie who worked 58 hours. Patsy sold \$14,200 of merchandise.

\* 49. What is the total gross pay for the week on the Payroll Register for all three employees?



**Regional 2010 – Group 9**

Use the following information for question #50 and write the identifying letter of the best response on your answer sheet. Payroll tax expense per employee is based on the following:

<b>Social Security</b>	<b>6.2% on gross earnings up to \$102,000</b>
<b>Medicare</b>	<b>1.45% on all earnings</b>
<b>Federal Unemployment Tax</b>	<b>.8% on first \$7,000 of gross earnings</b>
<b>State Unemployment Tax</b>	<b>.75% on first \$9,000 of gross earnings</b>

- \* 50. An employee has cumulative gross wages of \$6,500 in the first quarter. In the second quarter, if the current gross wages are \$2,800, what is the total amount of employer's payroll tax expense on this employee for the second quarter only?  
A. \$230.00   B. \$236.95   C. \$239.20   D. \$257.60   E. \$337.70   F. \$901.60