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| 2017 | e | d | i | | t | i | o | n |  |
| PAYROLL | | | | | | | | | |
| accounting | | | | | | | | | |
| Bieg/Toland | | | |  | | | | | |

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|  | | TEST 1 | | | | | | | |  | |
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| Student | |  | | | | | | | | |  |
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| Chapter 1 | | |  | Date | |  | | |  | | |
|  | | |  |  | |  | | |  | | |
| SCORING RECORD | | | | | | | | | |  | |
|  | | | | | | | | | |  | |
| Section | Total Points | | | | Deductions | | Score |  | | | |
| A | 60 | | | |  | |  |  | | | |
| B | 40 | | | |  | |  |  | | | |
| Total | 100 | | | |  | |  |  | | | |

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| **Section A**—DIRECTIONS: Each of the following statements is either true or false. Unless directed otherwise by your instructor, indicate your choice in the Answers column by writing “T” for a true answer or “F” for a false answer. (2 points for each correct answer) | | | | | | | |
|  |  |  | For  Answers Scoring | | | | | | |
| 1. |  | The Fair Labor Standards Act sets the current minimum wage at $7.50 per hour. |  |  |  | 1. |  | |
| 2. |  | The Federal Insurance Contributions Act covers restrictions on the employment of child labor. |  |  |  | 2. |  | |
| 3. |  | The Federal Income Tax Withholding Law requires that all employment data be kept on file |  |  |  |  |  | |
|  |  | permanently. |  |  |  | 3. |  | |
| 4. |  | In cases where both federal and state regulations cover the minimum wage for the same |  |  |  |  |  | |
|  |  | employee, the higher of the two rates is always used as the standard minimum wage. |  |  |  | 4. |  | |
| 5. |  | Those records that are required by the various payroll laws must generally be kept on file for |  |  |  |  |  | |
|  |  | only the current year. |  |  |  | 5. |  | |
| 6. |  | Unions and employment agencies are excluded from coverage under the Civil Rights Act of 1964. |  |  |  | 6. |  | |
| 7. |  | Employers’ photocopying of new employees’ I-9 documents is not required under the |  |  |  |  |  | |
|  |  | Immigration Reform and Control Act. |  |  |  | 7. |  | |
| 8. |  | The Age Discrimination in Employment Act protects virtually all workers, but only to the age of 70. |  |  |  | 8. |  | |
| 9. |  | FICA taxes are levied upon employers only. |  |  |  | 9. |  | |
| 10. |  | Criminal background checks can be used by employers on all job applicants. |  |  |  | 10. |  | |
| 11. |  | Most employers are faced with two unemployment taxes—federal and state. |  |  |  | 11. |  | |
| 12. |  | Every state imposes state unemployment taxes on employers in their state. |  |  |  | 12. |  | |
| 13. |  | As part of their FMLA, a few states have implemented a paid family leave plan. |  |  |  | 13. |  | |
| 14. |  | The FUTA tax paid to the federal government is used to pay benefits to the unemployed workers |  |  |  |  |  | |
|  |  | who qualify for the benefits. |  |  |  | 14. |  | |
| 15. |  | Under the Affordable Care Act, the insurance provided by the employer only has to meet an  affordability test. . |  |  |  | 15. |  | |
| 16. |  | The information reporting requirements of the Affordable Care Act only involve the filing of each employee’s Form W-2. |  |  |  | 16. |  | |
| 17. |  | Once vested, workers have the right to receive a pension at retirement age, even if they no longer |  |  |  |  |  | |
|  |  | work for that company. |  |  |  | 17. |  | |
| 18. |  | Under the Family and Medical Leave Act, employers can exempt the highest paid 10 percent of |  |  |  |  |  | |
|  |  | their workforce from its provisions. |  |  |  | 18. |  | |
| 19. |  | Under federal law, new-hire reporting also applies to newly hired independent contractors. |  |  |  | 19. |  | |
| 20. |  | Form I-9, Employment Eligibility Verification, is completed only by employees who were born |  |  |  |  |  | |
|  |  | outside the United States. |  |  |  | 20. |  | |
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**SECTION A (continued)**

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|  |  |  | For  Answers Scoring | | | | |
| 21. |  | The deadline for an employee to complete and sign Section 1 of Form I-9 is one year from the date of hire. |  |  |  | 21. |  |
| 22. |  | Under the Family and Medical Leave Act, an employer can substitute an employee’s earned paid |  |  |  |  |  |
|  |  | leave for any part of the 12-week family leave. |  |  |  | 22. |  |
| 23. |  | Workers’ compensation insurance applies only to work-related injury, illness, or death. |  |  |  | 23. |  |
| 24. |  | Pre-hire questions pertaining to religion, gender, national origin, or age are allowed when these |  |  |  |  |  |
|  |  | factors are bona fide occupational requirements for a job. |  |  |  | 24. |  |
| 25. |  | In the event employment is denied because of the information obtained from an investigative |  |  |  |  |  |
|  |  | consumer report, the employer is required to inform the individual that this was the reason for |  |  |  |  |  |
|  |  | denying employment. |  |  |  | 25. |  |
| 26. |  | Employers cannot terminate an employee for providing false information on an application form |  |  |  |  |  |
|  |  | once the employee begins employment. |  |  |  | 26. |  |
| 27. |  | The hiring notice is a record sent to the Payroll Department so that the new employee can |  |  |  |  |  |
|  |  | be added to the payroll. |  |  |  | 27. |  |
| 28. |  | The payroll register is used by employers in preparing Form W-2, the wage and tax statement |  |  |  |  |  |
|  |  | sent to each employee at year-end. |  |  |  | 28. |  |
| 29. |  | The payroll register is used to provide the information needed to record the payroll entries made |  |  |  |  |  |
|  |  | in the journal on each payday. |  |  |  | 29. |  |
| 30. |  | The FLSA requires all employees to be paid weekly or bi-weekly. |  |  |  | 30. |  |
|  |  |  |  |  |  |  |  |
| **Section B**—DIRECTIONS: Complete each of the following sentences by writing in the Answers column the letter of the word or words that correctly completes each statement. (5 points for each correct answer) | | | | | | | | |
|  |  |  | For  Answers Scoring | | | | | |
| 1. |  | Which of the following is not a provision of the Fair Labor Standards Act (FLSA)? (A) Restricts |  |  |  |  |  |
|  |  | the employment of child labor, (B) Sets minimum wage, (C) Forbids discrimination in hiring, (D) Mandates equal pay for equal work, regardless of gender, (E) All are provisions of FLSA |  |  |  | 1. |  |
| 2. |  | Which of the following bases for discrimination in employment practices is not covered in |  |  |  |  |  |
|  |  | Title VII of the Civil Rights Act of 1964 as amended? (A) Color, (B) Religion, (C) Age, (D) Sex,  (E) National origin |  |  |  | 2. |  |
| 3. |  | Which of the following acts covers employee pension and welfare plans? (A) Affordable Care Act, |  |  |  |  |  |
|  |  | (B) Federal Insurance Contributions Act, (C) Age Discrimination in Employment |  |  |  |  |  |
|  |  | Act, (D) Family and Medical Leave Act, (E) Employee Retirement Income Security Act. |  |  |  | 3. |  |
| 4. |  | Medicare is a two-part health insurance program that was part of an amendment to what act? |  |  |  |  |  |
|  |  | (A) Federal Insurance Contributions Act, (B) Federal Income Tax Withholding Law, (C) Federal |  |  |  |  |  |
|  |  | Unemployment Tax Act, (D) Affordable Care Act, (E) Fair Labor Standards Act |  |  |  | 4. |  |
| 5. |  | Which of the following statements is *not* a provision of ERISA? (A) ERISA applies to pension and |  |  |  |  |  |
|  |  | welfare plans established by any employer engaged in commerce. (B) ERISA establishes minimum |  |  |  |  |  |
|  |  | vesting schedules that protect the workers’ benefits. (C) ERISA provides that all employees are |  |  |  |  |  |
|  |  | eligible to set up their own individual retirement accounts. (D) ERISA requires each employer to |  |  |  |  |  |
|  |  | establish a pension plan. (E) All of the above are provisions of ERISA. |  |  |  | 5. |  |
| 6. |  | Which of the following acts deals with the minimum wage paid to laborers for contractors who |  |  |  |  |  |
|  |  | supply materials to any agency of the United States? (A) Davis-Bacon, (B) Walsh-Healey Public |  |  |  |  |  |
|  |  | Contracts, (C) Federal Insurance Contributions, (D) McNamara-O’Hara Service Contract, |  |  |  |  |  |
|  |  | (E) None of these. |  |  |  | 6. |  |
| 7. |  | Which of the following forms is used to complete each employee’s Form W-2, Wage and Tax |  |  |  |  |  |
|  |  | Statement? (A) Payroll register, (B) Employee’s paycheck, (C) Change in payroll rate form, |  |  |  |  |  |
|  |  | (D) Employee’s individual retirement account, (E) Employee’s earnings record |  |  |  | 7. |  |
| 8. |  | Protection under the provisions of the Age Discrimination in Employment Act begins at what |  |  |  |  |  |
|  |  | age? (A) 18, (B) 65, (C) 21, (D) 40, (E) 50 |  |  |  | 8. |  |