Chapter 01

Payroll Practices and System Fundamentals

**True / False Questions**

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| 1. | |  | | --- | | Internal payroll reports are used to inform a firm's managers and decision-makers about labor costs. | |  |    True    False |

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| 2. | |  | | --- | | The Lilly Ledbetter Act of 2009 was the first act that mandated equal pay for men and women who perform identical tasks. |   True    False |

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| 3. | |  | | --- | | The Age Discrimination in Employment Act (ADEA) prohibits discrimination in employment practices for workers who are older than age 50. |   True    False |

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| 4. | |  | | --- | | Payroll-related legislation often reflects emerging issues in societal evolution. |   True    False |

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| 5. | |  | | --- | | The Worker's Compensation Act of 1935 legislated the payment of worker's compensation insurance. |   True    False |

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| 6. | |  | | --- | | The ethical principle of due care pertains to the upholding of rights and justice of stakeholders. |   True    False |

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| 7. | |  | | --- | | Payroll accounting systems may involve an integrated software package that contains business-planning tools. |   True    False |

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| 8. | |  | | --- | | The IRS uses EINs to track employers for tax purposes. |   True    False |

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| 9. | |  | | --- | | The payroll volume tends to be greater for small companies than for large businesses. |   True    False |

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| 10. | |  | | --- | | The use of outsourced payroll relieves employers of the responsibility for payroll accuracy. |   True    False |

**Multiple Choice Questions**

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| 11. | |  | | --- | | The Age Discrimination in Employment Act of 1967 prevented mandatory retirement for workers over the age of: |      |  |  | | --- | --- | | A. | 55. |  |  |  | | --- | --- | | B. | 50. |  |  |  | | --- | --- | | C. | 45. |  |  |  | | --- | --- | | D. | 40. | |

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| 12. | |  | | --- | | Which Act extended medical benefits for certain terminated employees? |      |  |  | | --- | --- | | A. | ADEA |  |  |  | | --- | --- | | B. | COBRA |  |  |  | | --- | --- | | C. | OSHA |  |  |  | | --- | --- | | D. | ERISA | |

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| 13. | |  | | --- | | Within how many days after initially commencing work must an employer report a new employee, according to PRWOR? |      |  |  | | --- | --- | | A. | 7 |  |  |  | | --- | --- | | B. | 10 |  |  |  | | --- | --- | | C. | 20 |  |  |  | | --- | --- | | D. | 30 | |

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| 14. | |  | | --- | | The Sarbanes-Oxley Act legislated penalties for violations of which Act? |      |  |  | | --- | --- | | A. | HIPAA |  |  |  | | --- | --- | | B. | ERISA |  |  |  | | --- | --- | | C. | PRWOR |  |  |  | | --- | --- | | D. | DOMA | |

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| 15. | |  | | --- | | The *U.S. v. Windsor* case repealed an Act and affected payroll tax withholdings for certain employees. Which Act did Windsor repeal? |      |  |  | | --- | --- | | A. | OSHA |  |  |  | | --- | --- | | B. | ARRA |  |  |  | | --- | --- | | C. | ATRA |  |  |  | | --- | --- | | D. | DOMA | |

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| 16. | |  | | --- | | The purpose of payroll legislation is to: |      |  |  | | --- | --- | | A. | Increase the complexity involved in compensating employees. |  |  |  | | --- | --- | | B. | Protect the rights of employees by legislating workplace equity. |  |  |  | | --- | --- | | C. | Generate increased tax revenue for governmental entities. |  |  |  | | --- | --- | | D. | Promote governmental involvement in business activities. | |

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| 17. | |  | | --- | | According to FMLA, during the time that an employee is on family leave: |      |  |  | | --- | --- | | A. | The employer must not contact the employee during the leave. |  |  |  | | --- | --- | | B. | The employee is responsible for staying in touch with the employer. |  |  |  | | --- | --- | | C. | The employer may make changes to the employee’s benefits. |  |  |  | | --- | --- | | D. | The employer is responsible for alerting the employee to changes in processes and benefits. | |

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| 18. | |  | | --- | | The USERRA legislation provided the following: |      |  |  | | --- | --- | | A. | Military service members receive mandatory priority during the hiring process. |  |  |  | | --- | --- | | B. | Military service members receive preferential treatment for promotions and raises during the normal course of business. |  |  |  | | --- | --- | | C. | Military members must receive the same promotions and compensation that they would have received when they return from active duty. |  |  |  | | --- | --- | | D. | Injured military veterans must be allowed to return to work, but their compensation may be reduced based on their disability. | |

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| 19. | |  | | --- | | Payroll taxes were instituted by the 16th Amendment to the United States Constitution: |      |  |  | | --- | --- | | A. | To pay for governmental salaries. |  |  |  | | --- | --- | | B. | To make money from businesses that had employees. |  |  |  | | --- | --- | | C. | To fund infrastructure improvements of booming cities. |  |  |  | | --- | --- | | D. | To penalize people who needed employment. | |

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| 20. | |  | | --- | | Employment legislation during the 1930s included which of the following Acts: |      |  |  | | --- | --- | | A. | FLSA, FUTA, and FICA |  |  |  | | --- | --- | | B. | ADEA, Davis-Bacon Act, and FLSA |  |  |  | | --- | --- | | C. | Walsh-Healey Act, FICA, and ERISA |  |  |  | | --- | --- | | D. | FUTA, ADA, and FLSA | |

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| 21. | |  | | --- | | The main purpose of the Federal Insurance Contribution Act (FICA) was to: |      |  |  | | --- | --- | | A. | Provide health insurance for all employees. |  |  |  | | --- | --- | | B. | Mandate worker’s compensation insurance for employers. |  |  |  | | --- | --- | | C. | Provide life insurance for all employees. |  |  |  | | --- | --- | | D. | Provide benefits for workers who were unable to work because of age, disability, or death. | |

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| 22. | |  | | --- | | Which Act governs the minimum wage that must be paid to nonexempt workers? |      |  |  | | --- | --- | | A. | FICA |  |  |  | | --- | --- | | B. | FLSA |  |  |  | | --- | --- | | C. | FUTA |  |  |  | | --- | --- | | D. | SSA | |

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| 23. | |  | | --- | | The Fair Labor Standards Act contains provisions for: |      |  |  | | --- | --- | | A. | Overtime pay, minimum wage, and working conditions. |  |  |  | | --- | --- | | B. | Full-time workers, part-time workers, and independent contractors. |  |  |  | | --- | --- | | C. | Minimum wage, maximum wage, and overtime pay. |  |  |  | | --- | --- | | D. | Pay periods, paid time off, and minimum wage. | |

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| 24. | |  | | --- | | The Current Tax Payment Act changed employer remittance of taxes by: |      |  |  | | --- | --- | | A. | Instituting the mandatory transfer of payroll tax liabilities. |  |  |  | | --- | --- | | B. | Legislating the amounts of tax withheld from each employee. |  |  |  | | --- | --- | | C. | Requiring employers to remit taxes at specific times during the year. |  |  |  | | --- | --- | | D. | Calling for employers to remit only the current portions of taxes due. | |

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| 25. | |  | | --- | | Worker’s compensation insurance premiums: |      |  |  | | --- | --- | | A. | Are the same amount for all employees of a company, regardless of employee task. |  |  |  | | --- | --- | | B. | Are remitted in full at the end of the year to ensure accuracy. |  |  |  | | --- | --- | | C. | Are mandated by the Fair Labor Standards Act. |  |  |  | | --- | --- | | D. | Are governed by state laws and vary according to worker job classification. | |

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| 26. | |  | | --- | | The classification of workers as exempt and nonexempt pertains to the provisions of the: |      |  |  | | --- | --- | | A. | Social Security Act. |  |  |  | | --- | --- | | B. | Equal Pay Act. |  |  |  | | --- | --- | | C. | Fair Labor Standards Act. |  |  |  | | --- | --- | | D. | Federal insurance Contributions Act. | |

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| 27. | |  | | --- | | Which of the following is among the guidelines for the AICPA Code of Ethics? |      |  |  | | --- | --- | | A. | Company Interest |  |  |  | | --- | --- | | B. | Corporate Profitability |  |  |  | | --- | --- | | C. | Due Care |  |  |  | | --- | --- | | D. | Interdependence | |

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| 28. | |  | | --- | | The payroll accountant for Candor, Inc. was found to have issued payroll checks in the name of several terminated employees. Upon investigation, the checks were all deposited to the same bank account, which was owned by the payroll accountant. Which ethical principle did the payroll accountant violate? |      |  |  | | --- | --- | | A. | Responsibilities |  |  |  | | --- | --- | | B. | Public Interest |  |  |  | | --- | --- | | C. | Objectivity and Independence |  |  |  | | --- | --- | | D. | Integrity | |

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| 29. | |  | | --- | | Leslie is the accountant for a major movie production. She is approached by a group of people from the press who ask her questions about the salaries of the actors and actresses involved in the film. According to the AICPA Code of Ethics, which principle most closely governs the appropriate conduct in this situation? |      |  |  | | --- | --- | | A. | Responsibilities |  |  |  | | --- | --- | | B. | Due Care |  |  |  | | --- | --- | | C. | Integrity |  |  |  | | --- | --- | | D. | Public Interest | |

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| 30. | |  | | --- | | Jonathan is the payroll accountant for Terrafirm Company. The company has experienced a rise in business that has increased Jonathan's workload to more than double his original amount. Because of the business increase, he has not been able to engage in the continuing professional education (CPE) that his payroll certification requires. When asked by his employer, Jonathan claims to be current with his CPE. According to the AICPA Code of Ethics, which of the following most closely describes the principle that Jonathan has violated? |      |  |  | | --- | --- | | A. | Objectivity |  |  |  | | --- | --- | | B. | Due Care |  |  |  | | --- | --- | | C. | Responsibilities |  |  |  | | --- | --- | | D. | Public Interest | |

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| 31. | |  | | --- | | Michael is the payroll accountant for a non-profit. In his personal life, he is also a single father of three young children. On the day that payroll is supposed to be issued, his children are sick and he is unavailable to be at work. The employee’s paychecks cannot be issued without his presence. Which ethical principle most closely governs this situation? |  |  |  | | --- | --- | | A. | Responsibilities |  |  |  | | --- | --- | | B. | Objectivity and Independence |  |  |  | | --- | --- | | C. | Integrity |  |  |  | | --- | --- | | D. | Public Interest | |

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| 32. | |  | | --- | | Peter is the owner of a fast-food franchise. When his payroll accountant quit, he hired his wife, Karen, to take over the payroll responsibilities. Peter prefers to review the payroll records prior to disbursement and often asks Karen to add or subtract amount from employee pay. Which ethical principle most closely describes Peter and Karen’s unethical actions? |      |  |  | | --- | --- | | A. | Objectivity and Independence |  |  |  | | --- | --- | | B. | Integrity |  |  |  | | --- | --- | | C. | Public Interest |  |  |  | | --- | --- | | D. | Responsibilities | |

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| 33. | |  | | --- | | Which most closely identifies why it is important for payroll accountants to adhere to the AICPA Code of  Ethics? |      |  |  | | --- | --- | | A. | To maintain company profitability. |  |  |  | | --- | --- | | B. | To overlook fraudulent actions of company officers. |  |  |  | | --- | --- | | C. | To protect the assets of the company and remit money owed to the government. |  |  |  | | --- | --- | | D. | To maintain personal standards only. | |

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| 34. | |  | | --- | | In the event of an ethical breach by a payroll accountant, which entity is ultimately liable for any monetary damages due to stakeholders? |      |  |  | | --- | --- | | A. | The payroll accountant |  |  |  | | --- | --- | | B. | The company's CEO or president |  |  |  | | --- | --- | | C. | The governmental entity associated with company oversight |  |  |  | | --- | --- | | D. | The entity that issued the license to the accountant | |

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| 35. | |  | | --- | | Contemporary payroll practices reflect: |      |  |  | | --- | --- | | A. | The increased use of manual payroll accounting systems. |  |  |  | | --- | --- | | B. | The decrease in labor costs that reflects the effect of the economic recession. |  |  |  | | --- | --- | | C. | The strategic use of payroll data as a company planning tool. |  |  |  | | --- | --- | | D. | The replacement of accounting personnel with computerized systems. | |

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| 36. | |  | | --- | | Which of the following is a current option available to payroll accountants? |      |  |  | | --- | --- | | A. | Payroll preparation through manual, handwritten spreadsheets. |  |  |  | | --- | --- | | B. | Reduced responsibility for accuracy because of outsourcing services. |  |  |  | | --- | --- | | C. | Increased use of paycards as a vehicle for paying employees. |  |  |  | | --- | --- | | D. | Governmentally mandated and monitored payroll outsourcing. | |

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| 37. | |  | | --- | | What is the effect of payroll-related legislation on payroll practice? |      |  |  | | --- | --- | | A. | Legislation explicitly dictates specific activities of payroll accountants. |  |  |  | | --- | --- | | B. | Legislation has prescribed the format and delivery of a payroll system. |  |  |  | | --- | --- | | C. | Legislation has alleviated the need for a company to design its own payroll system. |  |  |  | | --- | --- | | D. | Legislation highlights the need for firms to create well-designed payroll systems. | |

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| 38. | |  | | --- | | Which of the following represents a payroll system privacy breach by Susan, a payroll accountant? |      |  |  | | --- | --- | | A. | Susan shares information about labor costs with company executives. |  |  |  | | --- | --- | | B. | Susan alerts department managers about potential FLSA violations in their departments. |  |  |  | | --- | --- | | C. | Susan discusses specific information about the company's federal contracts with friends during lunch. |  |  |  | | --- | --- | | D. | Susan places employee payroll files in a cabinet to which only she and her supervisor have access. | |

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| 39. | |  | | --- | | Which of the following is a payroll accountant’s responsibility? |      |  |  | | --- | --- | | A. | Wage negotiations with prospective employees. |  |  |  | | --- | --- | | B. | Construction contract negotiations with governmental entities. |  |  |  | | --- | --- | | C. | Preparation for corporate safety audits. |  |  |  | | --- | --- | | D. | Preparation of payroll tax returns. | |

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| 40. | |  | | --- | | Which form does the Internal Revenue Service use to keep track of employers? |      |  |  | | --- | --- | | A. | SS-4 |  |  |  | | --- | --- | | B. | ES-4 |  |  |  | | --- | --- | | C. | EIN |  |  |  | | --- | --- | | D. | W-4 | |

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| 41. | |  | | --- | | Joel is the payroll accountant for a company. He has been notified of an impending audit of all accounting records. What is Joel's role in the audit? |      |  |  | | --- | --- | | A. | He is required to be absent during the audit to avoid influencing the results. |  |  |  | | --- | --- | | B. | He must agree to serve on the audit staff for other companies. |  |  |  | | --- | --- | | C. | He must be available to answer questions and grant access to payroll records. |  |  |  | | --- | --- | | D. | He must prevent privacy breaches by disallowing access to payroll records. | |

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| 42. | |  | | --- | | Which of the following is not a privacy act related to payroll records? |      |  |  | | --- | --- | | A. | Community Property Act of 1990. |  |  |  | | --- | --- | | B. | Freedom of Information Act. |  |  |  | | --- | --- | | C. | U.S. Department of Labor OCFO-1. |  |  |  | | --- | --- | | D. | U.S. Department of Health and Human Services Privacy Act 09-40-0006. | |

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| 43. | |  | | --- | | Why do different methods of time collection devices (e.g., time cards, biometric devices) exist among companies? |      |  |  | | --- | --- | | A. | They replace personnel with computers, which prevents ethical issues. |  |  |  | | --- | --- | | B. | They maintain precise tracking of employee whereabouts. |  |  |  | | --- | --- | | C. | They promote compensation accuracy that matches company needs. |  |  |  | | --- | --- | | D. | They alleviate the need for internal control. | |

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| 44. | |  | | --- | | Which of the following is are payroll-related issues that large companies may experience (Select all that apply)? |      |  |  | | --- | --- | | A. | Geographic dispersion. |  |  |  | | --- | --- | | B. | Multiple departments. |  |  |  | | --- | --- | | C. | Homogeneous workforce. |  |  |  | | --- | --- | | D. | Increased task variation. | |

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| 45. | |  | | --- | | Many large companies have website portals in which employees may view and change payroll data. Which of the following is the most significant concern about such websites? |      |  |  | | --- | --- | | A. | Accuracy of employee-entered data. |  |  |  | | --- | --- | | B. | Employer oversight of stored data. |  |  |  | | --- | --- | | C. | Employee website navigation issues. |  |  |  | | --- | --- | | D. | Security of personnel data. | |

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| 46. | |  | | --- | | If a company chooses to use computer-based accounting, which of the following is required? |      |  |  | | --- | --- | | A. | A standalone system that is dedicated to payroll processing. |  |  |  | | --- | --- | | B. | Regularly scheduled software updates. |  |  |  | | --- | --- | | C. | Certification by a CPA prior to use for payroll processing. |  |  |  | | --- | --- | | D. | Certification and bonding of payroll personnel. | |

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| 47. | |  | | --- | | Jonah is one of the payroll accountants in a company that specializes in custom work for each customer. His biggest payroll challenge is accurate allocation of labor to jobs. Which of the following represents the most accurate option to track the company’s labor costs? |      |  |  | | --- | --- | | A. | Handwritten time slips on which the employee documents the times worked on each job. |  |  |  | | --- | --- | | B. | Verbal reporting via telephone of time worked per job. |  |  |  | | --- | --- | | C. | Computer log-ins when employees change tasks. |  |  |  | | --- | --- | | D. | Radio-frequency time cards to track time allocations. | |

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| 48. | |  | | --- | | What is the most significant challenge pertaining to payroll that small businesses face? |      |  |  | | --- | --- | | A. | Availability of payroll-trained personnel |  |  |  | | --- | --- | | B. | Availability of accounting resources |  |  |  | | --- | --- | | C. | Accessibility of free on-site payroll software |  |  |  | | --- | --- | | D. | Accessibility of on-site payroll guidance | |

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| 49. | |  | | --- | | An example of an accounting software package that fosters electronic payroll processing is: |      |  |  | | --- | --- | | A. | Sage Books. |  |  |  | | --- | --- | | B. | Quick50. |  |  |  | | --- | --- | | C. | QuickBooks. |  |  |  | | --- | --- | | D. | GreatBooks. | |

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| 50. | |  | | --- | | Paycards represent a trend in employee compensation that alleviates the employee’s need for: |      |  |  | | --- | --- | | A. | Filing data about time worked. |  |  |  | | --- | --- | | B. | Bank account establishment. |  |  |  | | --- | --- | | C. | Functional literacy. |  |  |  | | --- | --- | | D. | Workplace competence. | |

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| 51. | |  | | --- | | The largest challenge to companies that use manual payroll processing is: |      |  |  | | --- | --- | | A. | Integrating current tax tables. |  |  |  | | --- | --- | | B. | Obtaining accurate employee data. |  |  |  | | --- | --- | | C. | Maintaining accurate personnel records. |  |  |  | | --- | --- | | D. | Filing appropriate governmental reports. | |

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| 52. | |  | | --- | | Why is outsourced payroll popular among accounting professionals? |      |  |  | | --- | --- | | A. | Payroll processing is always simpler and quicker. |  |  |  | | --- | --- | | B. | Data generated by the outsource company is completely accurate. |  |  |  |  | | --- | --- | --- | | C. | Time required for payroll processing is reduced. |  |  |  |  | | --- | --- | | D. | Records generated by outsourced vendors are not subject to retention rules. | |

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| 53. | |  | | --- | | Which law requires a company to use certified payroll? |      |  |  | | --- | --- | | A. | Walsh-Healey Public Contracts Act |  |  |  | | --- | --- | | B. | Copeland Anti-Kickback Act |  |  |  | | --- | --- | | C. | Davis-Bacon Act |  |  |  | | --- | --- | | D. | Sarbanes-Oxley Act | |

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| 54. | Which court case updated the definition of spouse to include same-sex unions?     |  |  | | --- | --- | | A. | *Pollard v. DuPont*. |  |  |  | | --- | --- | | B. | *Obergefell v. Hodges*. |  |  |  | | --- | --- | | C. | *CIGNA v. Amara*. |  |  |  | | --- | --- | | D. | *Young v. Wackenhut*. | |

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| 55. | \_\_\_\_\_\_\_\_\_ is the state counterpart of the Federal Unemployment Tax Act.     |  |  | | --- | --- | | A. | Fair Labor Standards Act |  |  |  | | --- | --- | | B. | Worker’s compensation insurance |  |  |  | | --- | --- | | C. | State Income Tax Act |  |  |  | | --- | --- | | D. | State Unemployment Tax Act | |

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| 56. | Which of the following is true about independent contractors within the context of payroll?     |  |  | | --- | --- | | A. | They are employees of the company. |  |  |  | | --- | --- | | B. | A temporary working relationship must exist. |  |  |  | | --- | --- | | C. | Tools and facilities are provided by the employer. |  |  |  | | --- | --- | | D. | The worker controls hours worked and exercises judgment. | |

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| 57. | Workers compensation is an insurance policy used for     |  |  | | --- | --- | | A. | Wage continuation after job-related injuries. |  |  |  | | --- | --- | | B. | Payment of mandatory payroll taxes. |  |  |  | | --- | --- | | C. | Remittance of wages mandated by the FLSA. |  |  |  | | --- | --- | | D. | Settlement of payroll-related lawsuits. | |

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| 58. | According to the Public Company Accounting Oversight Board, personal or family ownership in excess of five percent of a client’s business may compromise an accountant’s     |  |  | | --- | --- | | A. | Due Care. |  |  |  | | --- | --- | | B. | Independence. |  |  |  | | --- | --- | | C. | Public Interest. |  |  |  | | --- | --- | | D. | Integrity. | |

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| 59. | Which privacy act safeguards information contained in private personnel records and mandates information safekeeping?     |  |  | | --- | --- | | A. | DHHS Privacy Act 09-04-0006. |  |  |  | | --- | --- | | B. | Privacy Act of 1974. |  |  |  | | --- | --- | | C. | Common Law Privacy Act. |  |  |  | | --- | --- | | D. | Computer Fraud and Abuse Act of 1986. | |

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| 60. | Positive aspects of the use of Internet-based accounting software includes which of the following?     |  |  | | --- | --- | | A. | Suitability for highly complex large businesses. |  |  |  | | --- | --- | | B. | Continual updates for tax rate and other changes. |  |  |  | | --- | --- | | C. | Unlimited options for company personnel. |  |  |  | | --- | --- | | D. | Fixed software layout for consistency among companies. | |

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| 61. | The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ prohibited discrimination based on race, creed, color, gender, or national origin.     |  |  | | --- | --- | | A. | Lilly Ledbetter Fair Pay Act of 2009. |  |  |  | | --- | --- | | B. | Civil Rights Act of 1964. |  |  |  | | --- | --- | | C. | Equal Pay Act of 1963. |  |  |  | | --- | --- | | D. | Fair Labor Standards Act of 1935. | |

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| 62. | The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_modified the statute of limitations imposed by the Equal Pay Act of 1963.     |  |  | | --- | --- | | A. | Civil Rights Act of 1991. |  |  |  | | --- | --- | | B. | Family Medical Leave Act of 1993. |  |  |  | | --- | --- | | C. | Lilly Ledbetter Fair Pay Act of 2009. |  |  |  | | --- | --- | | D. | Consolidated Omnibus Budget Reformation Act of 1986. | |

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| 63. | The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_mandated that employers verify an employee’s legal ability to work in the United States.     |  |  | | --- | --- | | A. | Personal Responsibility and Work Opportunity Reconciliation Act of 1996. |  |  |  | | --- | --- | | B. | Health Insurance Portability and Accountability Act of 1996. |  |  |  | | --- | --- | | C. | American Reinvestment and Recovery Act of 2009. |  |  |  | | --- | --- | | D. | Immigration Reform and Control Act of 1986. | |

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| 64. | Prevailing local wages and wage classification strategies for government contractors were mandated by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.     |  |  | | --- | --- | | A. | Davis-Bacon Act. |  |  |  | | --- | --- | | B. | Walsh-Healey Public Contracts Act. |  |  |  | | --- | --- | | C. | Fair Labor Standards Act. |  |  |  | | --- | --- | | D. | Equal Pay Act. | |

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| 65. | Congress passed the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to assist displaced workers.     |  |  | | --- | --- | | A. | 16th Amendment; Fair Labor Standards Act. |  |  |  | | --- | --- | | B. | Social Security Act; Medicare Act. |  |  |  | | --- | --- | | C. | Federal Unemployment Tax Act; Social Security Insurance Act. |  |  |  | | --- | --- | | D. | Federal Income Contributions Act; Federal Unemployment Tax Act. | |

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| 66. | The ethical principle of \_\_\_\_\_\_\_\_\_\_\_ concerns what is right and just for all parties involved.     |  |  | | --- | --- | | A. | Due Care. |  |  |  | | --- | --- | | B. | Integrity. |  |  |  | | --- | --- | | C. | Public Interest. |  |  |  | | --- | --- | | D. | Objectivity and Independence. | |

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| 67. | An accountant must remain current in his or her knowledge of current payroll practices, according to the ethical principle of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.     |  |  | | --- | --- | | A. | Responsibilities. |  |  |  | | --- | --- | | B. | Public Interest. |  |  |  | | --- | --- | | C. | Due Care. |  |  |  | | --- | --- | | D. | Integrity. | |

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| 68. | Employers must request a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the Internal Revenue Service to track a firm’s payroll tax obligations.     |  |  | | --- | --- | | A. | Social Security Number. |  |  |  | | --- | --- | | B. | Employer Registration Number. |  |  |  | | --- | --- | | C. | Tax Identification Number. |  |  |  | | --- | --- | | D. | Employer Identification Number | |

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| 69. | Companies may use \_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_ to allow employees to have secure, rapid access to their compensation.     |  |  | | --- | --- | | A. | Cash; Checks. |  |  |  | | --- | --- | | B. | Cash; Direct Deposit. |  |  |  | | --- | --- | | C. | Direct Deposit; Paycards. |  |  |  | | --- | --- | | D. | Paycards; Checks. | |

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| 70. | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is required under the Davis-Bacon Act for companies who do business with the federal government.     |  |  | | --- | --- | | A. | Manual payroll. |  |  |  | | --- | --- | | B. | Certified payroll. |  |  |  | | --- | --- | | C. | Outsourced payroll. |  |  |  | | --- | --- | | D. | Computerized payroll. | |

Chapter 01 Payroll Practices and System Fundamentals Answer Key

**True / False Questions**

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| 1. | |  | | --- | | Internal payroll reports are used to inform a firm's managers and decision-makers about labor costs. |   **TRUE** |

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| *AACSB: Communication  AICPA: BB Leveraging Technology AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 2. | |  | | --- | | The Lilly Ledbetter Act of 2009 was the first act that mandated equal pay for men and women who perform identical tasks. |    **FALSE**  Explanation: The Equal Pay Act of 1963 was the first legislation that addressed pay equity. |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Decision Making Blooms: Remember  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 3. | |  | | --- | | The Age Discrimination in Employment Act (ADEA) prohibits discrimination in employment practices for workers who are older than age 50. |   **FALSE**  Explanation: ADEA protects workers who are older than age 40. |

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| *AACSB: Diversity  AICPA: BB Legal AICPA: FN Decision Making Blooms: Remember  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 4. | |  | | --- | | Payroll-related legislation often reflects emerging issues in societal evolution. |   **TRUE** |

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| *AACSB: Reflective Thinking  AICPA: BB Critical Thinking AICPA: FN Research Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Explain the Purpose of Studying Payroll Accounting* |

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| 5. | |  | | --- | | The Worker's Compensation Act of 1935 legislated the payment of worker's compensation insurance. |   **FALSE** |

 Explanation: No federal legislation exists regarding the payment of worker’s compensation insurance.

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| *AACSB: Communication  AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Easy  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 6. | |  | | --- | | The ethical principle of due care pertains to the upholding of rights and justice of stakeholders. |   **FALSE** |

Explanation: The principle of due care pertains to the accountant’s professional competence.

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| *AACSB: Ethics  AICPA: BB Critical Thinking AICPA: FN Decision Making Blooms: Apply  Difficulty: Medium  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 7. | |  | | --- | | Payroll accounting systems may involve an integrated software package that contains business-planning tools. |   **TRUE** |

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| *AACSB: Technology  AICPA: BB Leveraging Technology AICPA: FN Leveraging Technology Blooms: Understand  Difficulty: Easy  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 8. | |  | | --- | | The IRS uses EINs to track employers for tax purposes. |   **TRUE** |

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| *AACSB: Communication  AICPA: BB Industry AICPA: FN Reporting Blooms: Remember  Difficulty: Easy  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 9. | |  | | --- | | The payroll volume tends to be greater for small companies than for large businesses. |   **FALSE** |

 Explanation: Payroll volume is lower for small companies because the number of employees is smaller, which leads to a lower number of payroll transaction.

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| *AACSB: Reflective Thinking  AICPA: BB Resource Management AICPA: FN Measurement Blooms: Understand  Difficulty: Easy  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 10. | |  | | --- | | The use of outsourced payroll relieves employers of the responsibility for payroll accuracy. |   **FALSE** |

 Explanation: The employer is responsible for payroll accuracy regardless of who processes it.

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| *AACSB: Reflective Thinking  AICPA: BB Resource Management AICPA: FN Decision Making Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

**Multiple Choice Questions**

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| 11. | |  | | --- | | The Age Discrimination in Employment Act of 1967 prevented mandatory retirement for workers over the age of: |      |  |  | | --- | --- | | A. | 55. |  |  |  | | --- | --- | | B. | 50. |  |  |  | | --- | --- | | C. | 45. |  |  |  | | --- | --- | | **D.** | 40. | |

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| *AACSB: Diversity  AICPA: BB Legal AICPA: FN Decision Making Blooms: Understand  Difficulty: Easy  Learning Objective: 01-01 Explain the Purpose of Studying Payroll Accounting Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 12. | |  | | --- | | Which Act extended medical benefits for certain terminated employees? |      |  |  | | --- | --- | | A. | ADEA |  |  |  | | --- | --- | | **B.** | COBRA |  |  |  | | --- | --- | | C. | OSHA |  |  |  | | --- | --- | | D. | ERISA | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Decision Making Blooms: Understand  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 13. | |  | | --- | | Within how many days after initially commencing work must an employer report a new employee, according to PRWOR? |      |  |  | | --- | --- | | A. | 7 |  |  |  | | --- | --- | | B. | 10 |  |  |  | | --- | --- | | **C.** | 20 |  |  |  | | --- | --- | | D. | 30 | |

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| *AACSB: Communication  AICPA: BB Legal AICPA: FN Reporting Blooms: Remember  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 14. | |  | | --- | | The Sarbanes-Oxley Act legislated penalties for violations of which Act? |      |  |  | | --- | --- | | A. | HIPAA |  |  |  | | --- | --- | | **B.** | ERISA |  |  |  | | --- | --- | | C. | PRWOR |  |  |  | | --- | --- | | D. | DOMA | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Decision Making Blooms: Remember  Difficulty: Medium  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 15. | |  | | --- | | The U.S. v. Windsor case repealed an Act and affected payroll tax withholdings for certain employees. Which Act did Windsor repeal? |      |  |  | | --- | --- | | A. | OSHA |  |  |  | | --- | --- | | B. | ARRA |  |  |  | | --- | --- | | C. | ATRA |  |  |  | | --- | --- | | **D.** | DOMA | |

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| *AACSB: Diversity  AICPA: BB Legal AICPA: FN Decision Making Blooms: Understand  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 16. | |  | | --- | | The purpose of payroll legislation is to: |      |  |  | | --- | --- | | A. | Increase the complexity involved in compensating employees. |  |  |  | | --- | --- | | **B.** | Protect the rights of employees by legislating workplace equity. |  |  |  | | --- | --- | | C. | Generate increased tax revenue for governmental entities. |  |  |  | | --- | --- | | D. | Promote governmental involvement in business activities. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Decision Making Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 17. | |  | | --- | | According to FMLA, during the time that an employee is on family leave: |      |  |  | | --- | --- | | A. | The employer must not contact the employee during the leave. |  |  |  | | --- | --- | | B. | The employee is responsible for staying in touch with the employer. |  |  |  | | --- | --- | | C. | The employer may make changes to the employee’s benefits. |  |  |  | | --- | --- | | **D.** | The employer is responsible for alerting the employee to changes in processes and benefits. | |

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| *AACSB: Communication  AICPA: BB Legal AICPA: FN Decision Making Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 18. | |  | | --- | | The USERRA legislation provided the following: |      |  |  | | --- | --- | | A. | Military service members receive mandatory priority during the hiring process. |  |  |  | | --- | --- | | B. | Military service members receive preferential treatment for promotions and raises during the normal course of business. |  |  |  | | --- | --- | | **C.** | Military members must receive the same promotions and compensation that they would have received when they return from active duty. |  |  |  | | --- | --- | | D. | Injured military veterans must be allowed to return to work, but their compensation may be reduced based on their disability. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Decision Making Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 19. | |  | | --- | | Payroll taxes were instituted by the 16th Amendment to the United States Constitution: |      |  |  | | --- | --- | | A. | To pay for governmental salaries. |  |  |  | | --- | --- | | B. | To make money from businesses that had employees. |  |  |  | | --- | --- | | **C.** | To fund infrastructure improvements of booming cities. |  |  |  | | --- | --- | | D. | To penalize people who needed employment. | |

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| *AACSB: Analytic AICPA: BB Legal AICPA: FN Decision Making Blooms: Analyze  Difficulty: Hard  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 20. | |  | | --- | | Employment legislation during the 1930s included which of the following Acts: |      |  |  | | --- | --- | | **A.** | FLSA, FUTA, and FICA |  |  |  | | --- | --- | | B. | ADEA, Davis-Bacon Act, and FLSA |  |  |  | | --- | --- | | C. | Walsh-Healey Act, FICA, and ERISA |  |  |  | | --- | --- | | D. | FUTA, ADA, and FLSA | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Medium  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 21. | |  | | --- | | The main purpose of the Federal Insurance Contribution Act (FICA) was to: |      |  |  | | --- | --- | | A. | Provide health insurance for all employees. |  |  |  | | --- | --- | | B. | Mandate worker’s compensation insurance for employers. |  |  |  | | --- | --- | | C. | Provide life insurance for all employees. |  |  |  | | --- | --- | | **D.** | Provide benefits for workers who were unable to work because of age, disability, or death. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Research Blooms: Apply  Difficulty: Medium  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 22. | |  | | --- | | Which Act governs the minimum wage that must be paid to nonexempt workers? |      |  |  | | --- | --- | | A. | FICA |  |  |  | | --- | --- | | **B.** | FLSA |  |  |  | | --- | --- | | C. | FUTA |  |  |  | | --- | --- | | D. | SSA | |

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| *AACSB: Analytic AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Easy  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 23. | |  | | --- | | The Fair Labor Standards Act contains provisions for: |      |  |  | | --- | --- | | **A.** | Overtime pay, minimum wage, and working conditions. |  |  |  | | --- | --- | | B. | Full-time workers, part-time workers, and independent contractors. |  |  |  | | --- | --- | | C. | Minimum wage, maximum wage, and overtime pay. |  |  |  | | --- | --- | | D. | Pay periods, paid time off, and minimum wage. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Easy  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 24. | |  | | --- | | The Current Tax Payment Act changed employer remittance of taxes by: |      |  |  | | --- | --- | | A. | Instituting the mandatory transfer of payroll tax liabilities. |  |  |  | | --- | --- | | B. | Legislating the amounts of tax withheld from each employee. |  |  |  | | --- | --- | | **C.** | Requiring employers to remit taxes at specific times during the year. |  |  |  | | --- | --- | | D. | Calling for employers to remit only the current portions of taxes due. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Easy  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 25. | |  | | --- | | Worker’s compensation insurance premiums: |      |  |  | | --- | --- | | A. | Are the same amount for all employees of a company, regardless of employee task. |  |  |  | | --- | --- | | B. | Are remitted in full at the end of the year to ensure accuracy. |  |  |  | | --- | --- | | C. | Are mandated by the Fair Labor Standards Act. |  |  |  | | --- | --- | | **D.** | Are governed by state laws and vary according to worker job classification. | |

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| *AACSB: Reflective Thinking  AICPA: BB Industry AICPA: FN Risk Analysis Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 26. | |  | | --- | | The classification of workers as exempt and nonexempt pertains to the provisions of the: |      |  |  | | --- | --- | | A. | Social Security Act. |  |  |  | | --- | --- | | B. | Equal Pay Act. |  |  |  | | --- | --- | | **C.** | Fair Labor Standards Act. |  |  |  | | --- | --- | | D. | Federal insurance Contributions Act. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Research Blooms: Remember  Difficulty: Easy  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 27. | |  | | --- | | Which of the following is among the guidelines for the AICPA Code of Ethics? |      |  |  | | --- | --- | | A. | Company Interest |  |  |  | | --- | --- | | B. | Corporate Profitability |  |  |  | | --- | --- | | **C.** | Due Care |  |  |  | | --- | --- | | D. | Interdependence | |

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| *AACSB: Ethics  AICPA: BB Industry AICPA: FN Decision Making Blooms: Remember  Difficulty: Easy  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 28. | |  | | --- | | The payroll accountant for Candor, Inc. was found to have issued payroll checks in the name of several terminated employees. Upon investigation, the checks were all deposited to the same bank account, which was owned by the payroll accountant. Which ethical principle did the payroll accountant violate? |      |  |  | | --- | --- | | A. | Responsibilities |  |  |  | | --- | --- | | B. | Public Interest |  |  |  | | --- | --- | | C. | Objectivity and Independence |  |  |  | | --- | --- | | **D.** | Integrity | |

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| *AACSB: Ethics  AICPA: BB Critical Thinking AICPA: FN Decision Making Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 29. | |  | | --- | | Leslie is the accountant for a major movie production. She is approached by a group of people from the press who ask her questions about the salaries of the actors and actresses involved in the film. According to the AICPA Code of Ethics, which principle most closely governs the appropriate conduct in this situation? |      |  |  | | --- | --- | | **A.** | Responsibilities |  |  |  | | --- | --- | | B. | Due Care |  |  |  | | --- | --- | | C. | Integrity |  |  |  | | --- | --- | | D. | Public Interest | |

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| *AACSB: Ethics  AICPA: BB Critical Thinking AICPA: FN Decision Making Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 30. | |  | | --- | | Jonathan is the payroll accountant for Terrafirm Company. The company has experienced a rise in business that has increased Jonathan's workload to more than double his original amount. Because of the business increase, he has not been able to engage in the continuing professional education (CPE) that his payroll certification requires. When asked by his employer, Jonathan claims to be current with his CPE. According to the AICPA Code of Ethics, which of the following most closely describes the principle that Jonathan has violated? |      |  |  | | --- | --- | | A. | Objectivity |  |  |  | | --- | --- | | **B.** | Due Care |  |  |  | | --- | --- | | C. | Responsibilities |  |  |  | | --- | --- | | D. | Public Interest | |

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| *AACSB: Ethics  AICPA: BB Critical Thinking AICPA: FN Decision Making Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 31. | |  | | --- | | Michael is the payroll accountant for a non-profit. In his personal life, he is also a single father of three young children. On the day that payroll is supposed to be issued, his children are sick and he is unavailable to be at work. The employee’s paychecks cannot be issued without his presence. Which ethical principle most closely governs this situation? |      |  |  | | --- | --- | | A. | Responsibilities |  |  |  | | --- | --- | | B. | Objectivity and Independence |  |  |  | | --- | --- | | C. | Integrity |  |  |  | | --- | --- | | **D.** | Public Interest | |

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| *AACSB: Ethics  AICPA: BB Critical Thinking AICPA: FN Decision Making Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 32. | |  | | --- | | Peter is the owner of a fast-food franchise. When his payroll accountant quit, he hired his wife, Karen, to take over the payroll responsibilities. Peter prefers to review the payroll records prior to disbursement and often asks Karen to add or subtract amount from employee pay. Which ethical principle most closely describes Peter and Karen’s unethical actions? |      |  |  | | --- | --- | | **A.** | Objectivity and Independence |  |  |  | | --- | --- | | B. | Integrity |  |  |  | | --- | --- | | C. | Public Interest |  |  |  | | --- | --- | | D. | Responsibilities | |

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| *AACSB: Ethics  AICPA: BB Critical Thinking AICPA: FN Decision Making Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 33. | |  | | --- | | Which most closely identifies why it is important for payroll accountants to adhere to the AICPA Code of  Ethics? |      |  |  | | --- | --- | | A. | To maintain company profitability. |  |  |  | | --- | --- | | B. | To overlook fraudulent actions of company officers. |  |  |  | | --- | --- | | **C.** | To protect the assets of the company and remit money owed to the government. |  |  |  | | --- | --- | | D. | To maintain personal standards only. | |

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| *AACSB: Ethics  AICPA: BB Critical Thinking AICPA: FN Decision Making Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 34. | |  | | --- | | In the event of an ethical breach by a payroll accountant, which entity is ultimately liable for any monetary damages due to stakeholders? |      |  |  | | --- | --- | | A. | The payroll accountant |  |  |  | | --- | --- | | **B.** | The company's CEO or president |  |  |  | | --- | --- | | C. | The governmental entity associated with company oversight |  |  |  | | --- | --- | | D. | The entity that issued the license to the accountant | |

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| *AACSB: Ethics  AICPA: BB Legal AICPA: FN Risk Analysis Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 35. | |  | | --- | | Contemporary payroll practices reflect: |      |  |  | | --- | --- | | A. | The increased use of manual payroll accounting systems. |  |  |  | | --- | --- | | B. | The decrease in labor costs that reflects the effect of the economic recession. |  |  |  | | --- | --- | | **C.** | The strategic use of payroll data as a company planning tool. |  |  |  | | --- | --- | | D. | The replacement of accounting personnel with computerized systems. | |

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| *AACSB: Reflective Thinking  AICPA: BB Critical Thinking AICPA: FN Research Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 36. | |  | | --- | | Which of the following is a current option available to payroll accountants? |      |  |  | | --- | --- | | A. | Payroll preparation through manual, handwritten spreadsheets. |  |  |  | | --- | --- | | B. | Reduced responsibility for accuracy because of outsourcing services. |  |  |  | | --- | --- | | **C.** | Increased use of paycards as a vehicle for paying employees. |  |  |  | | --- | --- | | D. | Governmentally mandated and monitored payroll outsourcing. | |

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| *AACSB: Reflective Thinking  AICPA: BB Industry AICPA: FN Decision Making Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 37. | |  | | --- | | What is the effect of payroll-related legislation on payroll practice? |      |  |  | | --- | --- | | A. | Legislation explicitly dictates specific activities of payroll accountants. |  |  |  | | --- | --- | | B. | Legislation has prescribed the format and delivery of a payroll system. |  |  |  | | --- | --- | | C. | Legislation has alleviated the need for a company to design its own payroll system. |  |  |  | | --- | --- | | **D.** | Legislation highlights the need for firms to create well-designed payroll systems. | |

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| *AACSB: Analytic AICPA: BB Critical Thinking AICPA: FN Research Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 38. | |  | | --- | | Which of the following represents a payroll system privacy breach by Susan, a payroll accountant? |      |  |  | | --- | --- | | A. | Susan shares information about labor costs with company executives. |  |  |  | | --- | --- | | B. | Susan alerts department managers about potential FLSA violations in their departments. |  |  |  | | --- | --- | | **C.** | Susan discusses specific information about the company's federal contracts with friends during lunch. |  |  |  | | --- | --- | | D. | Susan places employee payroll files in a cabinet to which only she and her supervisor have access. | |

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| *AACSB: Reflective Thinking  AICPA: BB Critical Thinking AICPA: FN Decision Making Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 39. | |  | | --- | | Which of the following is a payroll accountant’s responsibility? |      |  |  | | --- | --- | | A. | Wage negotiations with prospective employees. |  |  |  | | --- | --- | | B. | Construction contract negotiations with governmental entities. |  |  |  | | --- | --- | | C. | Preparation for corporate safety audits. |  |  |  | | --- | --- | | **D.** | Preparation of payroll tax returns. | |

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| *AACSB: Reflective Thinking  AICPA: BB Industry AICPA: FN Decision Making Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 40. | |  | | --- | | Which form does the Internal Revenue Service use to keep track of employers? |      |  |  | | --- | --- | | A. | SS-4 |  |  |  | | --- | --- | | B. | ES-4 |  |  |  | | --- | --- | | **C.** | EIN |  |  |  | | --- | --- | | D. | W-4 | |

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| *AACSB: Communication  AICPA: BB Industry AICPA: FN Reporting Blooms: Remember  Difficulty: Easy  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 41. | |  | | --- | | Joel is the payroll accountant for a company. He has been notified of an impending audit of all accounting records. What is Joel's role in the audit? |      |  |  | | --- | --- | | A. | He is required to be absent during the audit to avoid influencing the results. |  |  |  | | --- | --- | | B. | He must agree to serve on the audit staff for other companies. |  |  |  | | --- | --- | | **C.** | He must be available to answer questions and grant access to payroll records. |  |  |  | | --- | --- | | D. | He must prevent privacy breaches by disallowing access to payroll records. | |

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| *AACSB: Reflective Thinking  AICPA: BB Resource Management AICPA: FN Reporting Blooms: Apply  Difficulty: Medium  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 42. | |  | | --- | | Which of the following is not a privacy act related to payroll records? |      |  |  | | --- | --- | | **A.** | Community Property Act of 1990. |  |  |  | | --- | --- | | B. | Freedom of Information Act. |  |  |  | | --- | --- | | C. | U.S. Department of Labor OCFO-1. |  |  |  | | --- | --- | | D. | U.S. Department of Health and Human Services Privacy Act 09-40-0006. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Research Blooms: Remember  Difficulty: Easy  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 43. | |  | | --- | | Why do different methods of time collection devices (e.g., time cards, biometric devices) exist among companies? |      |  |  | | --- | --- | | A. | They replace personnel with computers, which prevents ethical issues. |  |  |  | | --- | --- | | B. | They maintain precise tracking of employee whereabouts. |  |  |  | | --- | --- | | **C.** | They promote compensation accuracy that matches company needs. |  |  |  | | --- | --- | | D. | They alleviate the need for internal control. | |

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| *AACSB: Reflective Thinking  AICPA: BB Industry AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 44. | |  | | --- | | Which of the following is (are) payroll-related issues that large companies may experience (Select all that apply)? |      |  |  | | --- | --- | | **A**. | Geographic dispersion. |  |  |  | | --- | --- | | **B.** | Multiple departments. |  |  |  | | --- | --- | | C. | Homogeneous workforce. |  |  |  | | --- | --- | | **D**. | Increased task variation. | |

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| *AACSB: Reflective Thinking  AICPA: BB Industry AICPA: FN Measurement Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 45. | |  | | --- | | Many large companies have website portals in which employees may view and change payroll data. Which of the following is the most significant concern about such websites? |      |  |  | | --- | --- | | A. | Accuracy of employee-entered data. |  |  |  | | --- | --- | | B. | Employer oversight of stored data. |  |  |  | | --- | --- | | C. | Employee website navigation issues. |  |  |  | | --- | --- | | **D.** | Security of personnel data. | |

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| *AACSB: Reflective Thinking  AICPA: BB Leveraging Technology AICPA: FN Leveraging Technology Blooms: Evaluate  Difficulty: Hard  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 46. | |  | | --- | | If a company chooses to use computer-based accounting, which of the following is required? |      |  |  | | --- | --- | | A. | A standalone system that is dedicated to payroll processing. |  |  |  | | --- | --- | | **B.** | Regularly scheduled software updates. |  |  |  | | --- | --- | | C. | Certification by a CPA prior to use for payroll processing. |  |  |  | | --- | --- | | D. | Certification and bonding of payroll personnel. | |

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| *AACSB: Communication  AICPA: BB Leveraging Technology AICPA: FN Leveraging Technology Blooms: Understand  Difficulty: Easy  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 47. | |  | | --- | | Jonah is one of the payroll accountants in a company that specializes in custom work for each customer. His biggest payroll challenge is accurate allocation of labor to jobs. Which of the following represents the most accurate option to track the company’s labor costs? |      |  |  | | --- | --- | | A. | Handwritten time slips on which the employee documents the times worked on each job. |  |  |  | | --- | --- | | B. | Verbal reporting via telephone of time worked per job. |  |  |  | | --- | --- | | C. | Computer log-ins when employees change tasks. |  |  |  | | --- | --- | | **D.** | Radio-frequency time cards to track time allocations. | |

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| *AACSB: Technology  AICPA: BB Leveraging Technology AICPA: FN Leveraging Technology Blooms: Apply  Difficulty: Medium  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 48. | |  | | --- | | What is the most significant challenge pertaining to payroll that small businesses face? |      |  |  | | --- | --- | | **A.** | Availability of payroll-trained personnel |  |  |  | | --- | --- | | B. | Availability of accounting resources |  |  |  | | --- | --- | | C. | Accessibility of free on-site payroll software |  |  |  | | --- | --- | | D. | Accessibility of on-site payroll guidance | |

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| *AACSB: Reflective Thinking  AICPA: BB Industry AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 49. | |  | | --- | | An example of an accounting software package that fosters electronic payroll processing is: |      |  |  | | --- | --- | | A. | Sage Books. |  |  |  | | --- | --- | | B. | Quick50. |  |  |  | | --- | --- | | **C.** | QuickBooks. |  |  |  | | --- | --- | | D. | GreatBooks. | |

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| *AACSB: Technology  AICPA: BB Leveraging Technology AICPA: FN Leveraging Technology Blooms: Understand  Difficulty: Easy  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 50. | |  | | --- | | Paycards represent a trend in employee compensation that alleviates the employee’s need for: |      |  |  | | --- | --- | | A. | Filing data about time worked. |  |  |  | | --- | --- | | **B.** | Bank account establishment. |  |  |  | | --- | --- | | C. | Functional literacy. |  |  |  | | --- | --- | | D. | Workplace competence. | |

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| *AACSB: Reflective Thinking  AICPA: BB Industry AICPA: FN Decision Making Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 51. | |  | | --- | | The largest challenge to companies that use manual payroll processing is: |      |  |  | | --- | --- | | **A.** | Integrating current tax tables. |  |  |  | | --- | --- | | B. | Obtaining accurate employee data. |  |  |  | | --- | --- | | C. | Maintaining accurate personnel records. |  |  |  | | --- | --- | | D. | Filing appropriate governmental reports. | |

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| *AACSB: Reflective Thinking  AICPA: BB Industry AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 52. | |  | | --- | | Why is outsourced payroll popular among accounting professionals? |      |  |  | | --- | --- | | A. | Payroll processing is always simpler and quicker. |  |  |  | | --- | --- | | B. | Data generated by the outsource company is completely accurate. |  |  |  | | --- | --- | | **C.** | Time required for payroll processing is reduced. |  |  |  | | --- | --- | | D. | Records generated by outsourced vendors are not subject to retention rules. | |

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| *AACSB: Reflective Thinking  AICPA: BB Resource Management AICPA: FN Decision Making Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 53. | |  | | --- | | Which law requires a company to use certified payroll? |      |  |  | | --- | --- | | A. | Walsh-Healey Public Contracts Act |  |  |  | | --- | --- | | B. | Copeland Anti-Kickback Act |  |  |  | | --- | --- | | **C.** | Davis-Bacon Act |  |  |  | | --- | --- | | D. | Sarbanes-Oxley Act | |

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| *AACSB: Communication  AICPA: BB Legal AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* | |
| 54. | Which court case updated the definition of spouse to include same-sex unions?     |  |  | | --- | --- | | A. | *Pollard v. DuPont*. |  |  |  | | --- | --- | | **B.** | *Obergefell v. Hodges*. |  |  |  | | --- | --- | | C. | *CIGNA v. Amara*. |  |  |  | | --- | --- | | D. | *Young v. Wackenhut*. | |
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| *AACSB: Analytic AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* | |
| 55. | \_\_\_\_\_\_\_\_\_ is the state counterpart of the Federal Unemployment Tax Act.     |  |  | | --- | --- | | A. | Fair Labor Standards Act. |  |  |  | | --- | --- | | B. | Worker’s compensation insurance. |  |  |  | | --- | --- | | C. | State Income Tax Act. |  |  |  | | --- | --- | | **D**. | State Unemployment Tax Act. | |

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| *AACSB: Analytic AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Easy  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 56. | Which of the following is true about independent contractors within the context of payroll?     |  |  | | --- | --- | | A. | They are employees of the company. |  |  |  | | --- | --- | | B. | A temporary working relationship must exist. |  |  |  | | --- | --- | | C. | Tools and facilities are provided by the employer. |  |  |  | | --- | --- | | **D**. | The worker controls hours worked and exercises judgment. | |
| *AACSB: Reflective Thinking AICPA: BB Critical Thinking AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* | |
| 57. | Workers compensation is an insurance policy used for     |  |  | | --- | --- | | **A**. | Wage continuation after job-related injuries. |  |  |  | | --- | --- | | B. | Payment of mandatory payroll taxes. |  |  |  | | --- | --- | | C. | Remittance of wages mandated by the FLSA. |  |  |  | | --- | --- | | D. | Settlement of payroll-related lawsuits. | |
| *AACSB: Reflective Thinking AICPA: BB Industry AICPA: FN Risk Analysis Blooms: Understand  Difficulty: Easy  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* | |
| 58. | According to the Public Company Accounting Oversight Board, personal or family ownership in excess of five percent of a client’s business may compromise an accountant’s     |  |  | | --- | --- | | A. | Due Care. |  |  |  | | --- | --- | | **B**. | Independence. |  |  |  | | --- | --- | | C. | Public Interest. |  |  |  | | --- | --- | | D. | Integrity. | |
| *AACSB: Ethics AICPA: BB Critical Thinking AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* | |
| 59. | Which privacy act safeguards information contained in private personnel records and mandates information safekeeping?     |  |  | | --- | --- | | A. | DHHS Privacy Act 09-04-0006. |  |  |  | | --- | --- | | **B.** | Privacy Act of 1974. |  |  |  | | --- | --- | | C. | Common Law Privacy Act. |  |  |  | | --- | --- | | D. | Computer Fraud and Abuse Act of 1986. | |
| *AACSB: Communication AICPA: BB Legal AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* | |
| 60. | Positive aspects of the use of Internet-based accounting software includes which of the following?     |  |  | | --- | --- | | A. | Suitability for highly complex large businesses. |  |  |  | | --- | --- | | **B**. | Continual updates for tax rate and other changes. |  |  |  | | --- | --- | | C. | Unlimited options for company personnel. |  |  |  | | --- | --- | | D. | Fixed software layout for consistency among companies. | |
| *AACSB: Technology AICPA: BB Industry AICPA: FN Leveraging Technology Blooms: Understand  Difficulty: Easy  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses  Topic: Compare Payroll Processing Options for Different Businesses* | |

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| 61. | The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ prohibited discrimination based on race, creed, color, gender, or national origin.     |  |  | | --- | --- | | A. | Lilly Ledbetter Fair Pay Act of 2009. |  |  |  | | --- | --- | | **B.** | Civil Rights Act of 1964. |  |  |  | | --- | --- | | C. | Equal Pay Act of 1963. |  |  |  | | --- | --- | | D. | Fair Labor Standards Act of 1935. | |

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| *AACSB: Analytic AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 62. | The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_modified the statute of limitations imposed by the Equal Pay Act of 1963.     |  |  | | --- | --- | | A. | Civil Rights Act of 1991. |  |  |  | | --- | --- | | B. | Family Medical Leave Act of 1993. |  |  |  | | --- | --- | | **C.** | Lilly Ledbetter Fair Pay Act of 2009. |  |  |  | | --- | --- | | D. | Consolidated Omnibus Budget Reformation Act of 1986. | |

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| *AACSB: Analytic AICPA: BB Legal AICPA: FN Research Blooms: Analysis  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 63. | The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_mandated that employers verify an employee’s legal ability to work in the United States.     |  |  | | --- | --- | | A. | Personal Responsibility and Work Opportunity Reconciliation Act of 1996. |  |  |  | | --- | --- | | B. | Health Insurance Portability and Accountability Act of 1996. |  |  |  | | --- | --- | | C. | American Reinvestment and Recovery Act of 2009. |  |  |  | | --- | --- | | **D.** | Immigration Reform and Control Act of 1986. | |

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| *AACSB: Analytic AICPA: BB Legal AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-01 Identify Legislation that Pertains to Payroll and Business Topic: Identify Legislation that Pertains to Payroll and Business* |

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| 64. | Prevailing local wages and wage classification strategies for government contractors were mandated by the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.     |  |  | | --- | --- | | **A.** | Davis-Bacon Act. |  |  |  | | --- | --- | | B. | Walsh-Healey Public Contracts Act. |  |  |  | | --- | --- | | C. | Fair Labor Standards Act. |  |  |  | | --- | --- | | D. | Equal Pay Act. | |

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| *AACSB: Analytic AICPA: BB Legal AICPA: FN Research Blooms: Application Difficulty: Medium  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 65. | Congress passed the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to assist displaced workers.     |  |  | | --- | --- | | A. | 16th Amendment; Fair Labor Standards Act. |  |  |  | | --- | --- | | B. | Social Security Act; Medicare Act. |  |  |  | | --- | --- | | **C.** | Federal Unemployment Tax Act; Social Security Insurance Act. |  |  |  | | --- | --- | | D. | Federal Income Contributions Act; Federal Unemployment Tax Act. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Research Blooms: Understand  Difficulty: Medium  Learning Objective: 01-02 Discuss the Legal Framework Specific to Payroll Accounting Topic: Discuss the Legal Framework Specific to Payroll Accounting* |

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| 66. | The ethical principle of \_\_\_\_\_\_\_\_\_\_\_ concerns what is right and just for all parties involved.     |  |  | | --- | --- | | A. | Due Care. |  |  |  | | --- | --- | | **B.** | Integrity. |  |  |  | | --- | --- | | C. | Public Interest. |  |  |  | | --- | --- | | D. | Objectivity and Independence. | |

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| *AACSB: Ethics  AICPA: BB Industry AICPA: FN Decision Making Blooms: Application Difficulty: Medium  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Discuss the Ethical Guidelines for Payroll Accounting* |

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| 67. | An accountant must remain current in his or her knowledge of current payroll practices, according to the ethical principle of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.     |  |  | | --- | --- | | A. | Responsibilities. |  |  |  | | --- | --- | | B. | Public Interest. |  |  |  | | --- | --- | | **C.** | Due Care. |  |  |  | | --- | --- | | D. | Integrity. | |

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| *AACSB: Ethics  AICPA: BB Industry AICPA: FN Decision Making Blooms: Application Difficulty: Medium  Learning Objective: 01-03 Discuss the Ethical Guidelines for Payroll Accounting Topic: Dthe Ethical Guidelines for Payroll Accounting* |

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| 68. | Employers must request a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the Internal Revenue Service to track a firm’s payroll tax obligations.     |  |  | | --- | --- | | A. | Social Security Number. |  |  |  | | --- | --- | | B. | Employer Registration Number. |  |  |  | | --- | --- | | C. | Tax Identification Number. |  |  |  | | --- | --- | | **D.** | Employer Identification Number | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Reporting Blooms: Understand  Difficulty: Easy  Learning Objective: 01-04 Identify Contemporary Payroll Practices Topic: Identify Contemporary Payroll Practices* |

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| 69. | Companies may use \_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_ to allow employees to have secure, rapid access to their compensation.     |  |  | | --- | --- | | A. | Cash; Checks. |  |  |  | | --- | --- | | B. | Cash; Direct Deposit. |  |  |  | | --- | --- | | **C.** | Direct Deposit; Paycards. |  |  |  | | --- | --- | | D. | Paycards; Checks. | |

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| *AACSB: Technology  AICPA: BB Industry AICPA: FN Leveraging Technology Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |

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| 70. | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is required under the Davis-Bacon Act for companies who do business with the federal government.     |  |  | | --- | --- | | A. | Manual payroll. |  |  |  | | --- | --- | | **B.** | Certified payroll. |  |  |  | | --- | --- | | C. | Outsourced payroll. |  |  |  | | --- | --- | | D. | Computerized payroll. | |

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| *AACSB: Reflective Thinking  AICPA: BB Legal AICPA: FN Reporting Blooms: Analyze  Difficulty: Medium  Learning Objective: 01-05 Compare Payroll Processing Options for Different Businesses Topic: Compare Payroll Processing Options for Different Businesses* |