2020 edition

PAYROLL ACCOUNTING

Bieg/Toland

TEST 1

Student INSTRUCTOR'S COPY

Chapter 1 Date _____

SCORING RECORD

Section	Total Points	Deductions	Score
A	60		
B	40		
Total	100		

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)

		Answers	For Scoring
1.	The Fair Labor Standards Act sets the current minimum wage at $7.50 per hour.	F	1. ____
2.	The Federal Insurance Contributions Act covers restrictions on the employment of child labor.	F	2. ____
3.	The Federal Income Tax Withholding Law requires that all employment data be kept on file permanently.	F	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.	T	4. ____
5.	Those records that are required by the various payroll laws must generally be kept on file for only the current year.	F	5. ____
6.	Unions and employment agencies are excluded from coverage under the Civil Rights Act of 1964.	F	6. ____
7.	Employers' photocopying of new employees' I-9 documents is not required under the Immigration Reform and Control Act.	T	7. ____
8.	The Age Discrimination in Employment Act protects virtually all workers, but only to the age of 70.	F	8. ____
9.	FICA taxes are levied upon employers only.	F	9. ____
10.	Criminal background checks can be used by employers on all job applicants.	F	10. ____
11.	Most employers are faced with two unemployment taxes—federal and state.	T	11. ____
12.	Every state imposes state unemployment taxes on employers in their state.	T	12. ____
13.	As part of their FMLA, a few states have implemented a paid family leave plan.	T	13. ____
14.	The FUTA tax paid to the federal government is used to pay benefits to the unemployed workers who qualify for the benefits.	F	14. ____
15.	Under the Affordable Care Act, all employers are required to provide insurance coverage for all full-time employees.	F	15. ____
16.	The information reporting requirements of the Affordable Care Act only involve the filing of each employee's Form W-2.	F	16. ____
17.	Once vested, workers have the right to receive a pension at retirement age, even if they no longer work for that company.	T	17. ____
18.	Under the Family and Medical Leave Act, employers can exempt the highest paid 10 percent of their workforce from its provisions.	T	18. ____
19.	Under federal law, new-hire reporting also applies to newly hired independent contractors.	F	19. ____
20.	Form I-9, Employment Eligibility Verification, is completed only by employees who were born outside the United States.	F	20. ____

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SECTION A (continued)

	Answers	For 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.	**F**	**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.	**T**	**22.** ___
23. Workers' compensation insurance applies only to work-related injury, illness, or death.	**T**	**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.	**T**	**24.** ___
25. If an investigative consumer report is being used, the applicant must be given a written notice that the information obtained will be used in the employment decision.	**T**	**25.** ___
26. Employers cannot terminate an employee for providing false information on an application form once the employee begins employment.	**F**	**26.** ___
27. The hiring notice is a record sent to the Payroll Department so that the new employee can be added to the payroll.	**T**	**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.	**F**	**28.** ___
29. The payroll register is used to provide the information needed to record the payroll entries made in the journal on each payday.	**T**	**29.** ___
30. The FLSA requires all employees to be paid weekly or biweekly.	**F**	**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)

	Answers	For 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 the FLSA.	**C**	**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	**C**	**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.	**E**	**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.	**A**	**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.	**D**	**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.	**B**	**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.	**E**	**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	**D**	**8.** ___

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