

UIL ACCOUNTING PRACTICE PACKET

Spring 2019

Written by
Alan Barkemeyer

Alan Barkemeyer, author of *Hexco's Regional Accounting Practice Packet Volume 2*, brings over 32 years teaching experience to include serving 24 years at Rosebud-Lott ISD. Barkemeyer has led his high school students to State in Accounting for 23 years resulting in 15 individual State championships (state record) and winning 17 team championship titles. His teams have always placed in the top 6. Barkemeyer is a four-time recipient of the Rosebud-Lott Teacher of the Year award and was selected as the 2009 Outstanding High School Teacher by the University of Texas Ex-Students Association and UT College of Education. Barkemeyer is a graduate of the University of Texas at Austin.

We are a small company that listens! If you have any questions or if there is an area that you would like fully explored, let us hear from you. We hope you enjoy this product and stay in contact with us throughout your academic journey.

~ President Hexco Inc., Linda Tarrant

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S19A

Do not turn this page until the start signal is given!

All answers MUST be written on your answer sheet. Either upper case or lower case letters are acceptable. Write legibly. Write letters far enough above the line so that (for example) an "E" can be distinguished from an "F."

For each multiple choice question, write only the identifying letter of the correct answer on your answer sheet.

Acceptable responses (not case sensitive) for the following are:

Debit	=	DR or Debit or D
Credit	=	CR or Credit or C
True	=	True or T
False	=	False or F
Yes	=	Yes or Y
No	=	No or N

If you choose another response for the examples given above, it will be counted as incorrect.

When an answer contains more than one response, all responses must be correct for the answer to be correct. The correct responses may be listed in any order unless the group instructions say otherwise.

If the answer has zero cents, it is not necessary to write the decimal or the zeroes for cents. A dollar amount with cents must have two decimal places. A required decimal point must be clearly visible.

If the answer is in cents only (no dollars), a decimal point must precede the two-digit amount, OR you may write the word "cents" after your two-digit answer.

Including commas in an amount where appropriate is encouraged. Failure to use commas will not make your answer wrong.

Answers with percents should include one decimal place unless stated differently in the group instructions.

A loss, net loss, negative number, or cash short must be indicated by brackets or parentheses. (Minus sign is not acceptable.)

You must follow group instructions regarding rounding and format of each answer.

After the start signal is given, you may remove table pages and any work sheets from the staple for convenience. Work sheets are never reviewed by graders.

Group 1

Sherry Pye owns and operates Must Be Heaven Pie Shop in Rainbow Valley. In addition to baking and selling delicious pies right there at the bakery, Must Be Heaven also delivers pies to businesses and individuals all over Rainbow Valley. Sherry has four employees: Jo Mamma and Lou Stooth bake the pies, Honker Beedecker delivers the tasty pastries, and Ida Wanna is the shop's bookkeeper. Honker is a relatively new employee, having started working at Must Be Heaven on April 3, 2018. Ida just finished the current quarterly employee earnings records for all four employees (located at the back of this exam). You have just applied for an entry-level payroll position at Must Be Heaven. To test your basic knowledge of payroll, Ida has given you the set of questions shown below. She wants you to analyze the four earnings records and the additional information that she has provided and write your correct answers on your answer sheet. (Ida wants percentages rounded according to the instructions in each question, and she wants money amounts rounded to the nearest cent.) Ida is going to have some peach praline pie while you complete the questions.

ADDITIONAL INFORMATION:

- The tax ceiling for Social Security is \$118,500.
- The Federal Unemployment Tax rate is 0.8% on a tax ceiling of \$7,000.
- The State Unemployment Tax rate is 5.4% on a tax ceiling of \$9,000.
- Voluntary deductions for U. S. Savings Bonds (B) and Credit Union Deposits (C) are shown in the Other Column.
- Employees are responsible for health insurance premiums.
- Must Be Heaven uses a calendar year as its fiscal period.
- Employees earn overtime at 1 1/2 times the regular rate of pay for any hours over the standard 40 per week.

1. What is Honker Beedecker's overtime rate of pay?
2. How many overtime hours did Honker work for the week ended May 5?
3. How many regular hours did Jo Mamma work for the week ended May 19?
4. What is Jo Mamma's overtime rate of pay?
5. How many overtime hours did Jo Mamma work for the week ended June 16?
6. What type of pay period is Must Be Heaven using? **(Write the correct letter on your answer sheet).**
 - A. Weekly
 - B. Bi-Weekly
 - C. Semi-Monthly
 - D. Monthly
 - E. Quarterly

EMPLOYEE'S EARNINGS RECORD FOR QUARTER ENDING June 30, 2018												
Stooth Lou S					EMPLOYEE NO. 3		MARITAL STATUS M		ALLOWANCES 3			
20 West 18 th Street Apt. #110					POSITION Baker							
Rainbow Valley, TX 77901					RATE OF PAY \$10.40		SOCIAL SECURITY NO. 456-15-5664					
PAY PERIOD		EARNINGS			DEDUCTIONS						NET PAY	ACCUMULATED EARNINGS
NO.	ENDED	REGULAR	OT	TOTAL	SOCIAL SEC.	MEDICARE	FEDERAL INC. TAX	HOSP. INS.	OTHER	TOTAL		
1	4/07	416.00		416.00	25.79	6.03	33.28	100.00		165.10	250.90	6,376.60
2	4/14	416.00		416.00	25.79	6.03	33.28	100.00		165.10	250.90	6,792.60
3	4/21	416.00	109.20	525.20	32.56	7.62	42.02	100.00		182.20	343.00	7,317.80
4	4/28	332.80		332.80	20.63	4.83	26.62	100.00		152.08	180.72	7,650.60
5	5/05	416.00	93.60	509.60	31.60	7.39	40.77	100.00		179.76	329.84	8,160.20
6	5/12	416.00		416.00	25.79	6.03	33.28	100.00		165.10	250.90	8,576.20
7	5/19	416.00		416.00	25.79	6.03	33.28	100.00		165.10	250.90	8,992.20
8	5/26	416.00	62.40	478.40	29.66	6.94	38.27	100.00		174.87	303.53	9,470.60
9	6/02	374.40		374.40	23.21	5.43	29.95	100.00		158.59	215.81	9,845.00
10	6/09	416.00		416.00	25.79	6.03	33.28	100.00		165.10	250.90	10,261.00
11	6/16	416.00	46.80	462.80	28.69	6.71	37.02	100.00		172.42	290.38	10,723.80
12	6/23	332.80		332.80	20.63	4.83	26.62	100.00		152.08	180.72	11,056.60
13	6/30	416.00		416.00	25.79	6.03	33.28	100.00		165.10	250.90	11,472.60
QTR. TOTALS		5,200.00	312.00	5,512.00	341.72	79.93	440.95	1,300.00		2,162.60	3,349.40	

EMPLOYEE'S EARNINGS RECORD FOR QUARTER ENDING June 30, 2018												
Wanna Ida M					EMPLOYEE NO. 4		MARITAL STATUS M		ALLOWANCES 4			
152 South 57 th Street					POSITION Bookkeeper							
Rainbow Valley, TX 77901					RATE OF PAY \$14.80		SOCIAL SECURITY NO. 556-10-4432					
PAY PERIOD		EARNINGS			DEDUCTIONS						NET PAY	ACCUMULATED EARNINGS
NO.	ENDED	REGULAR	OT	TOTAL	SOCIAL SEC.	MEDICARE	FEDERAL INC. TAX	HOSP. INS.	OTHER	TOTAL		
1	4/07	592.00	66.60	658.60	40.83	9.55	52.69	125.00	(C) 50.00	278.07	380.53	10,114.40
2	4/14	592.00	44.40	636.40	22.53	9.23	50.91	125.00	(C) 50.00	257.67	378.73	10,750.80
3	4/21	592.00	88.80	680.80	42.21	9.87	54.46	125.00	(C) 50.00	281.54	399.26	11,431.60
4	4/28	592.00		592.00	36.70	8.58	47.36	125.00	(C) 50.00	267.64	324.36	12,023.60
5	5/05	592.00	133.20	725.20	44.96	10.52	58.02	125.00	(C) 50.00	288.50	436.70	12,748.80
6	5/12	592.00	55.50	647.50	40.15	9.39	51.80	125.00	(C) 50.00	276.34	371.16	13,396.30
7	5/19	518.00		518.00	32.12	7.51	41.44	125.00	(C) 50.00	256.07	261.93	13,914.30
8	5/26	592.00		592.00	36.70	8.58	47.36	125.00	(C) 50.00	267.64	324.36	14,506.30
9	6/02	592.00	111.00	703.00	43.59	10.19	56.24	125.00	(C) 50.00	285.02	417.98	15,209.30
10	6/09	592.00		592.00	36.70	8.58	47.36	125.00	(C) 50.00	267.64	324.36	15,801.30
11	6/16	547.60		547.60	33.95	7.94	43.81	125.00	(C) 50.00	260.70	286.90	16,348.90
12	6/23	592.00	44.40	636.40	39.46	9.23	50.91	125.00	(C) 50.00	274.60	361.80	16,985.30
13	6/30	592.00		592.00	36.70	8.58	47.36	125.00	(C) 50.00	267.64	324.36	17,577.30
QTR. TOTALS		7,577.60	543.90	8,121.50	486.60	117.75	649.72	1,625.00	(C) 650.00	3,529.07	4,592.43	

Group 2 continued

32. On which of the four employees listed in Week 35 will the employer have to pay Federal Unemployment Tax? **(Write the Employee Number(s) on your answer sheet.)**
33. On which of the four employees listed in Week 35 will the employer have to pay State Unemployment Tax? **(Write the Employee Number(s) on your answer sheet.)**
34. On which of the four employees listed in Week 36 will the employer have to pay Social Security tax? **(Write the Employee Number(s) on your answer sheet.)**
- *35. What is the total amount that will be posted to Social Security Tax Payable in Week 36?
- *36. What is the total amount that will be posted to Medicare Tax Payable in Week 36?
37. What is the employer's Salary Expense for Week 36?
- *38. What is the employer's Payroll Tax Expense for Week 36?
- *39. What amount will be credited to Cash when the Salary Expense entry is posted for Week 36?
- *40. On which of the four employees listed in Week 36 will the employer have to pay Federal Unemployment Tax? **(Write the Employee Number(s) on your answer sheet.)**
- *41. On which of the four employees listed in Week 36 will the employer have to pay State Unemployment Tax? **Write the Employee Number(s) on your answer sheet.)**
- *42. What was the total cost to Marquis de Sod to have Toke Hollister on its payroll for Week 36?
43. The Accumulated Earnings column shown on the earnings record would also appear on the weekly payroll register that is prepared by Marquis de Sod. **(Write TRUE or FALSE on your answer sheet.)**
44. The payroll register is one of Marquis de Sod's special journals. **(Write TRUE or FALSE on your answer sheet.)**
45. How many employee earnings records are prepared for each employee during a calendar year?
46. The employee earnings records is used for which of the purposes shown below? **(Write the correct letter(s) on your answer sheet.)**
- A. Used to keep track of when employees approach or pass payroll tax ceilings.
 - B. Used to fill out employee W-2 Forms at the end of the calendar year.
 - C. Used to fill out the Form 941—the Employer's Quarterly Federal Tax Return.
 - D. Used as the source document for both the Salary Expense and Payroll Tax Expense entries.