Payroll Accounting 2023 33rd edition Bieg Test Bank

SKU: 9780357722275-TEST-BANK

Name:_____ Class:_____ Date:_____

Chapter 2

1. Under the FLSA enterprise coverage test, hospitals and nursing homes are only covered if their annual charges for services are at least $500,000.
   a. True
   b. False
ANSWER: False

2. Institutions of higher education are extended coverage under FLSA without regard to their annual sales volume.
   a. True
   b. False
ANSWER: True

3. If a business does not meet the enterprise coverage test, none of its workers qualify for individual employee coverage.
   a. True
   b. False
ANSWER: False

4. Domestics are excluded from coverage under the FLSA individual employee coverage.
   a. True
   b. False
ANSWER: False

5. A discretionary bonus is included in an employee's regular rate of pay.
   a. True
   b. False
ANSWER: False

6. All interns in the for-profit sector are exempt from the minimum wage and overtime requirements of the FLSA.
   a. True
   b. False
ANSWER: False

7. Employees paid biweekly receive their remuneration every two weeks.
   a. True
   b. False
ANSWER: True

8. In January 2022, workers who receive the minimum hourly wage are paid $6.10 an hour.
   a. True
   b. False
ANSWER: False

9. A retail shop may employ a full-time student at $5.00 per hour.
   a. True
   b. False
ANSWER: False

Copyright Cengage Learning. Powered by Cognero.

T B E X A M . C O M

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES
Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2

10. A college may employ its own full-time students at 85 percent of the minimum wage.
    a. True
    b. False
ANSWER: True

11. All major cities have enacted ordinances establishing a so-called “living wage” at $10.25 per hour.
    a. True
    b. False
ANSWER: False

12. The FLSA defines a tipped employee as one who regularly receives tips of more than $20 a week.
    a. True
    b. False
ANSWER: False

13. An employer can credit up to $5.12 of a tipped employee's minimum wage as coming from the tips received by that employee.
    a. True
    b. False
ANSWER: True

14. The FLSA requires that workers receive overtime pay for all hours worked in excess of 40 in a workweek.
    a. True
    b. False
ANSWER: True

15. The FLSA requires that workers receive overtime pay of twice the employees' regular hourly rate for hours worked on Sunday.
    a. True
    b. False
ANSWER: False

16. Employees who are receiving remedial education may work up to 10 hours overtime each week without receiving overtime pay.
    a. True
    b. False
ANSWER: True

17. Public safety employees of a state can be granted compensatory time off in lieu of overtime compensation.
    a. True
    b. False
ANSWER: True

18. All employers can grant compensatory time off to employees in place of overtime pay.

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES

Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2

a. True
b. False

ANSWER: False

19. Exempt professional employees are exempt from all provisions of the FLSA—minimum wages, overtime pay, and equal pay.

a. True
b. False

ANSWER: False

20. Employees paid by the hour without a guarantee of a weekly minimum salary do not qualify for the salary test for white-collar workers.

a. True
b. False

ANSWER: True

21. One of the tests to be met for the white-collar exemption for an executive is to be paid a salary of at least $1,000 per week.

a. True
b. False

ANSWER: False

22. The Equal Pay Act stipulates that there cannot be any wage differentials between the sexes.

a. True
b. False

ANSWER: False

23. Under no conditions may children under age 16 be employed in food service establishments.

a. True
b. False

ANSWER: False

24. The FLSA sets no limits upon the number of hours that a 15-year-old person may work so long as the overtime pay provisions are met.

a. True
b. False

ANSWER: False

25. Violators of the overtime provision of the FLSA are required to pay the unpaid overtime at a rate of triple the employee's rate.

a. True
b. False

ANSWER: False

26. When employees spend time changing clothes on the employer's premises, this time must be counted as part of their

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES

Payroll Accounting 2023 33rd edition Bieg Test Bank

TBEXAM.COM

Name:_____ Class:_____ Date:_____

principal activities for which they are always fully compensated.

a. True

b. False

ANSWER: False

27. Provided employees can use the on-call time for their own purposes, this time is not compensable.

a. True

b. False

ANSWER: True

28. The FLSA requires that employees be given at least two 15-minute rest periods each workday.

a. True

b. False

ANSWER: False

29. If granted, rest periods of 30 minutes or less count as hours worked.

a. True

b. False

ANSWER: False

30. Bona fide meal periods when the employee is completely relieved from duty are not considered working time.

a. True

b. False

ANSWER: True

31. Hourly employees who take work home without the permission of the employer do not have to be paid for the work done at home.

a. True

b. False

ANSWER: False

32. Employers may adopt the practice of recording an employee's starting and stopping time to the nearest quarter of an hour.

a. True

b. False

ANSWER: True

33. The FLSA contains detailed specifications of the methods that employers must follow in keeping time records.

a. True

b. False

ANSWER: False

34. Under the continental system of recording time, 9:00 a.m. is recorded as 900 while 9:00 p.m. is recorded as 2100.

a. True

b. False

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES

Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2

ANSWER: True

35. In converting semimonthly wage rates to hourly rates, divide the semimonthly rate by 4 to arrive at the weekly rate, then divide this rate by the standard number of hours.
    a. True
    b. False
ANSWER: False

36. Under the piece-rate system, workers are paid according to their output.
    a. True
    b. False
ANSWER: True

37. Although commissions are considered payments for hours worked, in all cases they are excluded when determining the regular hourly rate.
    a. True
    b. False
ANSWER: False

38. To calculate the overtime pay rate for a commissioned worker, divide the total commission by the hours worked, and then take one-half of the resulting rate of pay.
    a. True
    b. False
ANSWER: True

39. Nondiscretionary bonuses are part of the determination of the regular rate of pay.
    a. True
    b. False
ANSWER: True

40. Payments made to a bona fide profit-sharing plan that meets the standards set by the secretary of labor's regulations are not deemed wages in determining the regular rate of pay.
    a. True
    b. False
ANSWER: True

41. Under *enterprise coverage*, all employees of a business are covered by the FLSA if the organization is:
    a. a nursing home.
    b. a public agency.
    c. a hospital.
    d. all of the above.
    e. none of the above.
ANSWER: d

42. Under *individual employee coverage*, the worker is covered by the FLSA if:

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES
Payroll Accounting 2023 33rd edition Bieg Test Bank

TBEXAM.COM

Name:_____ Class:_____ Date:_____

Chapter 2

a. the worker produces goods for interstate commerce.
b. the worker is a housekeeper in a private home for 16 hours a week.
c. the domestic receives cash wages of at least $2,400 from the employer in the calendar year.
d. all of these choices are correct.
e. none of these choices are correct.

ANSWER: d

43. Under the FLSA, regular rate of pay does not include:
a. vacation pay.
b. severance pay.
c. overtime pay.
d. earned bonuses.
e. All of the above are considered wages.

ANSWER: a

44. In January 2022, the minimum hourly wage was:
a. $9.35.
b. $12.15.
c. $10.00.
d. $8.15.
e. None of the above.

ANSWER: e

45. The tips received by a tipped employee are less than $5.12 of the minimum hourly tip credit rate. The maximum permissible tip credit is:
a. $30 a month.
b. $5.12 an hour.
c. 45% of the employee's minimum wage.
d. 50% of the employee's minimum wage.
e. the amount of tips actually received by the employee.

ANSWER: e

46. Under the FLSA, overtime pay is required for:
a. any hours worked in excess of 8 in one day.
b. all work on Sunday.
c. all hours worked in excess of 40 in a workweek.
d. all hours worked on Christmas.
e. all of the above.

ANSWER: c

47. Workers exempt from *all* of the FLSA requirements include:
a. employees paid by the hour.
b. clerk-typists earning less than $200 a week.

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES

Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2

c. taxicab drivers.
d. motion picture theater employees.
e. none of the above.

ANSWER: e

48. Which of the following is *not* required by the FLSA?
a. Extra pay for work on holidays
b. Two weeks' vacation pay after one year of service
c. Restriction on hours worked by a 17-year-old worker
d. All of the above are required.
e. None of the above is required.

ANSWER: e

49. Under the Equal Pay Act:
a. employers must pay a married male a higher wage rate than a single female if both are performing equal work.
b. white-collar workers are exempt from its requirements.
c. wage differentials based on a seniority system are allowed.
d. if there is an unlawful pay differential, employers may reduce the higher rate to equal the lower rate.
e. none of the above.

ANSWER: c

50. If an employer is unable to obtain a certificate of age or a work permit for a minor employee, the employer may rely upon what document as evidence of age?
a. Baptism record
b. Mother's statement as to date of birth
c. High school enrollment form showing date of birth
d. Minor employee's statement as to date of birth
e. None of the above

ANSWER: a

51. Those tasks that employees must perform and which include any work of consequence performed for the employer are known as:
a. preliminary activities.
b. postliminary activities.
c. work activities.
d. principal activities.
e. none of the above.

ANSWER: d

52. Rest periods and coffee breaks may be required by all of the following *except*:
a. a union contract.
b. a state legislation.
c. a municipal legislation.
d. the FLSA.

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM
TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES
Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2

e. none of the above.

ANSWER: d

53. Training sessions are counted as working time when the following condition is met:
a. the employee's attendance is voluntary.
b. the employer requires the employee's attendance.
c. the training sessions are for the primary benefit of the employee.
d. the session takes place outside the regular working hours.
e. the session is not directly related to the employee's work.

ANSWER: b

54. The Wage and Hour Division allows the practice of recording an employee's starting and stopping time to:
a. the nearest five minutes.
b. the nearest tenth of an hour.
c. the nearest quarter of an hour.
d. all of the above.
e. none of the above.

ANSWER: d

55. The FLSA requires that:
a. employers use time cards to record the employees' time worked.
b. employers use the continental time system to record all time worked by employees.
c. employers keep records that show the hours each employee worked each workday and each workweek.
d. employees sign each clock card.
e. none of the above.

ANSWER: c

56. Under the continental system of recording time, 9:20 p.m. is recorded as:
a. P2120.
b. 9:20P.
c. 2120.
d. 2220.
e. none of the above.

ANSWER: c

57. If an employee works two jobs at two different wage rates for the same employer during the same pay week, any overtime pay must be calculated by using an overtime hourly rate of:
a. one and one-half the higher of the two wage rates.
b. one and one-half the lower of the two wage rates.
c. one-half of the higher of the two wage rates.
d. one-half of the two rates combined.
e. none of the above.

ANSWER: e

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES

Payroll Accounting 2023 33rd edition Bieg Test Bank

TBEXAM.COM

Name:_____ Class:_____ Date:_____

Chapter 2

58. Employers may pay nonexempt employees who work fluctuating schedules a fixed salary. In these cases, the extra pay is:

a. calculated at a time and one-half rate.
b. calculated at a double time rate.
c. calculated at the regular rate of pay.
d. unpaid.
e. none of the above.

ANSWER: e

59. To determine a pieceworker's *regular hourly rate* for one week:

a. divide the total weekly earnings from piece rates and all other sources by the hours worked in the week.
b. divide the total weekly earnings from piece rates by the number of pieces produced.
c. divide the total weekly earnings from piece rates, less earnings from other sources, by the hours worked in a week.
d. add the total weekly earnings from piece rates and all other sources and divide by the total number of pieces produced.
e. do none of the above.

ANSWER: a

60. A stated percentage of revenue paid an employee who transacts a piece of business or performs a service is called:

a. a piece rate.
b. a commission.
c. a regular hourly rate.
d. a remunerative salary.
e. none of the above.

ANSWER: b

Instruction 2-1
In all problems, *Unless instructed otherwise*, compute hourly rate and overtime rates as follows:

1. Carry the hourly rate and the overtime rate to 3 decimal places and then round off to 2 decimal places (round the hourly rate to 2 decimal places before multiplying by one and one-half to determine the overtime rate).
2. If the third decimal place is 5 or more, round to the next higher cent.
3. If the third decimal place is less than 5, drop the third decimal place.

Also, use the minimum hourly wage of $7.25 in solving these problems and all that follow.

61. **Refer to Instruction 2-1** Abel works a 37 1/2-hour week at $10.75 an hour. Overtime hours are paid at 1 1/2 times the regular rate.

(a) Abel's regular weekly earnings are _____.
(b) Abel's overtime rate is _____.
(c) If Abel works 6 hours overtime during one week, calculate Abel's total gross earnings _____.
ANSWER: a. (37 1/2 × $10.75) = $403.13

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES
Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2

b. ($10.75 × 1.5) = $16.13
c. [$403.13) + (6 × $16.13)] = $499.91

62. **Refer to Instruction 2-1.** Jack Ghims works a 40-hour week with overtime paid at $1\frac{1}{2}$ times his regular rate of pay of $14.88. This week he worked 42 hours, which resulted in a gross pay of _____.
ANSWER: [(40 × $14.88) + (2 × $14.88 × 1.5)] = $639.84

63. **Refer to Instruction 2-1**. Carolyn Clark, a full-time student at Atlanta State University, works at the Barclay Dress Shop. In order not to violate the FLSA, the least salary that Barclay could pay Clark for her 28-hour workweek is _____.
ANSWER: (28 × $6.17) = $172.76

64. **Refer to Instruction 2-1**. Bakker is paid an hourly rate of $10.65. For 130 minutes spent on a certain job, Bakker is paid _____.

ANSWER: ($10.65 × 130/60) = $23.08

65. **Refer to Instruction 2-1**. Annette Henri is paid an hourly wage of $10.90 for a 32-hour workweek of 4 days, 8 hours daily. For any work on the fifth day and on Saturdays, she is paid one and one-half times her regular hourly rate. During a certain week, in addition to her regular 32 hours, Henri worked 6 hours on the fifth day and 5 hours on Saturday. For this workweek, Henri's total earnings are _____.
ANSWER: [(32 × $10.90) + (11 × $10.90 × 1.5)] = $528.65

66. **Refer to Instruction 2-1**. Jose Cruz earns $2,275 each month and works $37\frac{1}{2}$ hours each week. His employer pays him overtime (for hours beyond $37\frac{1}{2}$) and uses the overtime premium approach. Cruz's overtime premium hourly rate is _____.
ANSWER: ($2,275 × 12 = $27,300 ÷ 52 = $525 ÷ $37\frac{1}{2}$ = $14.00 × $\frac{1}{2}$) = $7.00

67. **Refer to Instruction 2-1**. Every two weeks, Linda Corson is paid $650. Corson works a 32-hour week. For overtime, she receives extra pay at the regular hourly rate up to 40 hours. For any hours beyond 40 during the workweek, she receives time and one-half. During one biweekly pay period, she worked 17 hours overtime. Only 3 hours of the overtime were beyond 40 hours in any one week. Corson's gross earnings for the biweekly pay period are _____.
ANSWER: $650 ÷ 64 = $10.16
[$650 + (14 × $10.16) + (3 × $10.16 × 1.5)] = $837.96

68. **Refer to Instruction 2-1**. Carla Maloney is a waitress who regularly receives $80 each week in tips and works 40 hours each week. The minimum gross weekly pay, excluding tips, that the restaurant could pay Maloney without violating the FLSA is _____.
ANSWER: [(40 × $7.25) − $80] = $210.00

69. **Refer to Instruction 2-1**. Elder is paid a monthly salary of $2,250. Overtime is paid for hours beyond 40 in each workweek. One week, Elder works 7 hours overtime. Elder's gross pay for the week is _____.
ANSWER: (12 × $2,250) ÷ 52 = $519.23 ÷ 40 = $12.98
$519.23 + (7 × $12.98 × 1.5) = $655.52

70. **Refer to Instruction 2-1.** Kevin Kurtz is a newly hired exempt employee who earns an annual salary of $67,600.

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES
Payroll Accounting 2023 33rd edition Bieg Test Bank

TBEXAM.COM

Name:_____ Class:_____ Date:_____

Chapter 2

Since he started work on Thursday (five-day week ends on Friday), his pay for the first week would be _____.
ANSWER: [($67,600 ÷ 52) × 2/5] = $520.00

71. **Refer to Instruction 2-1**. Singh is paid a biweekly salary of $937.50. Overtime is paid for hours beyond 40 in each workweek. One week, Singh works 3 hours overtime. Singh's pay for this biweekly pay period is _____.
ANSWER: ($937.50 ÷ 80 = $11.72 × 1.5 = $17.58 × 3 = $52.74 + $937.50) = $990.24

72. **Refer to Instruction 2-1**. Gates is paid a semimonthly salary of $900.00. Overtime is paid for hours beyond 40 in each workweek. One week, Gates works $6\frac{3}{4}$ hours overtime. Gates' pay for this semimonthly pay period is _____.
ANSWER: (24 × $900 = $21,600 ÷ 52 = $415.38 ÷ 40 = $10.38 × 1.5 = $15.57 × $6\frac{3}{4}$ = $105.10 + $900) = $1,005

73. **Refer to Instruction 2-1**. Stacy Forvour is a salaried employee who works fluctuating workweeks. She is paid $680 per workweek. This week, she worked 46 hours. Forvour's total gross pay if her employer uses the special half-rate (based on total hours worked) for overtime pay is _____.
ANSWER: ($680 ÷ 46 = $14.78 × $\frac{1}{2}$ = $7.39 × 6 = $44.34 + $680) = $724.34

74. **Refer to Instruction 2-1**. Casey Klemons' agreement (BELO plan) with his employer provides for a pay rate of $16.50 per hour with a maximum of 50 hour. How much would Klemons be paid for a week in which he worked 46 hours?
ANSWER: 50 × $16.50 = $825
(10 × 0.5 × $16.50 = $82.50 + $825) = $907.50

75. **Refer to Instruction 2-1**. De La Riva receives 18.5 cents for every unit produced. De La Riva produces 575 units in an 8-hour workday. De La Riva's daily wages are _____.
ANSWER: (575 × $0.185) = $106.38

76. **Refer to Instruction 2-1**. Pan receives 16 cents for every unit produced. Pan produces 2,976 pieces in a 43-hour workweek. For overtime, Pan is paid a sum equal to one-half the regular hourly pay rate multiplied by the number of overtime hours. Pan's total piecework and overtime earnings are _____.
ANSWER: (2,976 × $0.16 = $476.16 ÷ 43 = $11.07 × 0.5 = $5.54 × 3 = $16.62 + $476.16) = $492.78

77. **Refer to Instruction 2-1**. Gorman is paid $10.50 per hour for a 35-hour workweek. This past week, he worked an extra 10 hours on a job at a pay rate of $13.00 per hour. If he is only paid overtime for hours over 40 and the employer uses the average rate method, his total earnings for the 45 hours of work were _____.
ANSWER: [(35 × $10.50) + (10 × $13.00) = $497.50 ÷ 45 = $11.06 × 0.5 = ($5.53 × 5) + $497.50] = $525.15

78. **Refer to Instruction 2-1**. Kenneth Anderson works two separate jobs for Mesa Company. During the week, Job A consisted of 38 hours at $20 per hour; Job B involved 15 hours at $14 per hour. If Mesa uses the average rate basis for calculating overtime, Anderson's pay for that week is _____.
ANSWER: [(38 × $20) + (15 × $14) = $970 ÷ 53 = $18.30 × 0.5 = $9.15 × 13 = $118.95 + $970] = $1,088.95

79. **Refer to Instruction 2-1**. Kerr receives an annual $25,700 base salary for working the territory in Arizona. A quota of $900,000 in sales has been set for that state. Kerr receives an 8 percent commission on all sales in excess of $900,000.

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES
Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2

This year, the sales are $965,000. The total earnings due Kerr this year are _____.
ANSWER: ($965,000 − $900,000 = $65,000 × 0.08 = $5,200 + $25,700) = $30,900.00

80. **Refer to Instruction 2-1**. Kelli England earns $12.30 per hour and has earned a production bonus this week of $37.10. If England worked 44 hours this week, her gross pay is _____.
ANSWER (44 × $12.30 = $541.20 + $37.10 = $578.30 ÷ 44 = $13.14 × 0.5 = $6.57 × 4 = $26.28 + $578.30) = $
:

TBEXAM.COM

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES
Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2 - Achievement Test

1. An enterprise is covered under the FLSA if there are at least two employees engaged in interstate commerce and if the enterprise has gross annual sales volume of at least $100,000.
   a. True
   b. False

ANSWER: False

2. Under the FLSA, “mom and pop stores” are excluded from enterprise coverage.
   a. True
   b. False

ANSWER: True

3. If a small amount of tips is turned over to the employer, the tip credit still is applied against the minimum wage.
   a. True
   b. False

ANSWER: False

4. Employers must pay employees for working overtime hours even if the overtime was not authorized or approved.
   a. True
   b. False

ANSWER: True

5. Employees who regularly work less than 20 hours a week are not covered by the minimum wage requirements.
   a. True
   b. False

ANSWER: False

6. A full-time student may be employed by a retail shop at 85 percent of the minimum wage.
   a. True
   b. False

ANSWER: True

7. An employer may only credit up to half of a tipped employee’s minimum wage as coming from the tips actually received.
   a. True
   b. False

ANSWER: False

8. There are some states that have a higher minimum wage rate than the federal minimum.
   a. True
   b. False

ANSWER: True

9. The FLSA provides for the payment of “double time” for any hours worked on holidays.
   a. True

TBEXAM.COM

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES

Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2 - Achievement Test

b. False

ANSWER: False

10. Wage differentials between sexes would be allowed if the different wage rates were based on a seniority system.
a. True
b. False

ANSWER: True

11. Blue-collar workers do not have to be paid for overtime if they have earned more than $90,000 for the year.
a. True
b. False

ANSWER: False

12. The FLSA requires employees to be paid for a rest period of 30 minutes or less.
a. True
b. False

ANSWER: False

13. Employers are not required to pay an employee for hours not worked because of illness.
a. True
b. False

ANSWER: True

14. Time spent in training sessions is never counted as working time.
a. True
b. False

ANSWER: False

15. "Engaged to wait" and "waiting to be engaged" are both considered work time.
a. True
b. False

ANSWER: False

16. A worker who is regularly paid on a biweekly basis should receive 24 paychecks each year.
a. True
b. False

ANSWER: False

17. In order to qualify for the “white-collar” exemption as outside salespeople, the employees must be paid a minimum salary of at least $1,000/week.
a. True
b. False

ANSWER: False

18. Commissions are considered to be payments for hours worked and must be included in determining the regular hourly

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES

Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2 - Achievement Test

rate.

a. True

b. False

ANSWER: True

19. In calculating the overtime premium pay, the overtime hours are multiplied by one-half the regular hourly rate.

a. True

b. False

ANSWER: True

20. A nondiscretionary bonus is one that is either known in advance or is set up as an inducement to achieve certain goals.

a. True

b. False

ANSWER: True

Instruction 2-2

Carry each hourly rate and each overtime rate to 3 decimal places and then round off to 2 decimal places.

21. **Refer to Instruction 2-2.** Diane Duke works a standard 40-hour workweek. She is paid time and one-half for all hours over 40 in each workweek. Her regular hourly wage rate is $10.90. One week, Duke worked 49 hours. Her total gross earnings for the week are _____.

ANSWER: $[(40 \times \$10.90) + (9 \times \$10.90 \times 1.5)] = \$583.15$

22. **Refer to Instruction 2-2.** Charles Rollins earns $2,400 each month and works 35 hours each week.

(a) His hourly rate is _____.

(b) His overtime rate is _____.

ANSWER: (a) $(\$2{,}400 \times 12) \div 52 \div 35 = \$15.82$

(b) $\$15.82 \times 1.5 = \$23.73$

23. **Refer to Instruction 2-2.** Ken Gorman is paid $810.00 for a $37\frac{1}{2}$-hour workweek. Overtime is paid at time and one-half for hours beyond 40 in each workweek. One week, Gorman works 48 hours. If he is paid his regular hourly rate for the first 40 hours, Gorman's gross pay is _____.

ANSWER: $\$810 \div 37\frac{1}{2} = \$21.60/\text{hour}$

$[\$810 + (2.5 \times \$21.60) + (8 \times \$32.40)] = \$1{,}123.20$

24. **Refer to Instruction 2-2.** Susan Cejka receives an hourly wage of $11.25 for a 40-hour week of 5 days, 8 hours daily. For Saturday work, she is paid 1.5 times the regular rate. For Sunday work, she is paid 2 times the regular rate. One week, she worked 50 hours—4 hours of which were on Saturday and 6 hours on Sunday. Her total earnings for the week are ____.

ANSWER: $[(40 \times \$11.25) + (4 \times \$16.88) + (6 \times \$22.50)] = \$652.52$

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES

Payroll Accounting 2023 33rd edition Bieg Test Bank

Name:_____ Class:_____ Date:_____

Chapter 2 - Achievement Test

25. **Refer to Instruction 2-2.** Ronald Dowd receives an annual base salary of $87,500 as a salesman in the Southern region, which has an annual sales quota of $450,000. For all sales over this quota, Dowd receives a commission of 4.5 percent. For the current year, sales in the Southern region total $698,000. The amount of salary and commissions due to Dowd is _____.
ANSWER: $[\$87{,}500 + (\$248{,}000 \times 0.045)] = \$98{,}660$

26. **Refer to Instruction 2-2.** Charles Geiger is a salaried employee who works fluctuating workweeks. He is paid $1,520 per workweek. This week, he worked 50 hours. Determine Geiger's total gross pay if his employer uses the special half-rate (based on total hours worked) for overtime pay.
ANSWER: $(\$1{,}520 \div 50 = \$30.40 \times 0.5 = \$15.20 \times 10 = \$152.00 + \$1{,}520) = \$1{,}672.00$

27. **Refer to Instruction 2-2.** Ron Morris earns $11.80 per hour and worked 44 hours this week. In addition, he earned a production bonus of $35.20 for the week. His gross pay for the week is _____.
ANSWER: $(44 \times \$11.80 = \$519.20 + \$35.20 = \$554.40 \div 44 = \$12.60 \times 0.5 = \$6.30 \times 4 = \$25.20 + \$554.40) = \$579.60$

28. **Refer to Instruction 2-2.** Bob Knox is paid on a piece-rate basis. He is paid 30 cents for each unit he produces. For overtime work, he receives in addition to his piece-rate earnings a sum equal to one-half the regular hourly pay multiplied by the hours worked in excess of 40 in a week. During a particular week, Knox worked 45 hours and produced 1,890 units. His total earnings for the week are _____.
ANSWER: $(1{,}890 \times \$0.30 = \$567.00 \div 45 = \$12.60 \times 0.5 = \$6.30 \times 5 = \$31.50 + \$567.00) = \$598.50$

29. **Refer to Instruction 2-2.** Carson Jimenez worked two separate jobs for Horwath Company during the week. Job A consisted of 36 hours at $16.00 per hour; Job B entailed 14 hours at $17.50 per hour. Determine his gross pay for that week if the employer uses the average rate basis for the overtime pay.
ANSWER: $[(36 \times \$16.00) + (14 \times \$17.50) = \$821 \div 50 = \$16.42 \times 0.5 = \$8.21 \times 10 = \$82.10 + \$821.00] = \$903.10$

30. **Refer to Instruction 2-2.** Kirit Jaidee is a waiter who regularly receives $90 each week in tips and works 40 hours each week. Jaidee's employer claims the maximum weekly tip credit that is allowed in this case. The gross weekly pay, excluding tips, that the restaurant should pay Jaidee without violating the FLSA is ____.
ANSWER: $(40 \times \$7.25 = \$290.00 - \$90.00) = \$200.00$

TBEXAM.COM

Copyright Cengage Learning. Powered by Cognero.

TBEXAM.COM - THE WORLD'S LARGEST TEST BANK AND SOLUTIONS DATABASE WITH UNBEATABLE RATES
Payroll Accounting 2023 33rd edition Bieg Test Bank