# *Payroll Accounting 2018 4th edition Landin Test Bank*

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*Payroll Accounting 2018, 4e* **(Landin)**
**Chapter 2 Payroll System Procedures**

1) The two focuses of payroll procedures are company needs and governmental rules.

2) Employers may choose to omit the employees' Social Security numbers in their employee files.

3) Semimonthly payroll involves a pay cycle in which pay disbursements occur every two weeks.

4) Newly hired employees must be reported to governmental officials within 20 days of starting work for an employer.

5) Foreign workers in the United States are subject to new hire reporting regulations.

6) A worker who sells life insurance on a full-time basis is considered a statutory employee.

7) U.S. workers in foreign subsidiaries are exempt from all income taxes.

8) Pay rate is the first payroll system decision a company must make.

9) Only regular working hours are considered as the worked hours for overtime computation.

10) It is considered a best practice to assign one employee all payroll duties.

11) Which of the following are important decisions that an employer must make regarding its payroll procedures? **(Select all that apply.)**
A) How often to pay employees
B) How to handle pay advances
C) How many employees to hire
D) Which employee benefits to offer

12) Which of the following items must exist in every employee's payroll file?
A) Spouse's social security number
B) Employment history
C) Spouse's birth date
D) Occupation

13) Why must pay period information be a part of an employee's payroll file?
A) As a means of tracking time worked for overtime compensation purposes.
B) To ensure that the employee receives all compensation earned.
C) As a means of ensuring pay equality among employees.
D) To document satisfaction of court-ordered obligations.


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14) Which of the following is/are purpose(s) of new hire reporting laws? **(Select all that apply.)**
A) To ensure payment of court-ordered obligations like garnishments and child support.
B) To keep track of workers throughout their careers.
C) To ensure that the employee may legally work in the United States.
D) To keep track of workers and professionals who are subject to licensing regulations.

15) Which pay frequency has 24 pay periods annually?
A) Weekly
B) Biweekly
C) Semimonthly
D) Semi-weekly

16) Which pay frequency has 26 pay periods per year?
A) Bimonthly
B) Biweekly
C) Semimonthly
D) Semi-weekly

17) Which pay frequency has 12 pay periods?
A) Daily
B) Weekly
C) Monthly
D) Semimonthly

18) What forms are required when an employee is hired? **(Select all that apply.)**
A) W-4
B) I-9
C) SS-4
D) W-2

19) Ibrahim is the payroll accountant for a firm. He notes that the firm has hired a new employee. What forms must he collect from the new employee?
A) W-2 and I-9
B) W-4 and I-9
C) W-4 and I-8
D) W-3 and I-9

20) If a firm pays its employees biweekly, how often does it disburse employee compensation?
A) Twice per week
B) Every week
C) Every two weeks
D) Every three weeks


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21) Why is it important for an employer to classify a worker as either an employee or an independent contractor?
A) For tax reporting purposes
B) For child support obligations purposes
C) For government tracking purposes
D) For reimbursement purposes

22) Which of the following is a purpose of new hire reporting? **(Select all that apply.)**
A) Immigration agency tracking
B) COBRA benefits administration
C) Communications of ethics violations for clerical workers
D) Child support obligations tracking

23) An employer must have an employee complete Form W-4:
A) Before each pay disbursement.
B) Each year, upon the employee's anniversary with the firm.
C) Every January 1.
D) At the time of hire.

24) Josh, who is 21 years of age, is a new employee of XYZ Company. To establish his identity and employment authorization, he could present:
A) His current United States passport.
B) His library card and birth certificate.
C) His driver's license and ATM card.
D) His college transcript and driver's license.

25) Which items must be contained in every hiring packet issued by an employer?
A) Forms W-4 and I-9
B) Employment contract with start date and pay agreement
C) Descriptions of benefits and enrollment forms
D) No items are mandated for issuance in a hiring packet.

26) The _____ mandated that new hires must be reported within _____ days to state authorities.
A) Fair Labor Standards Act; 30
B) Immigration Reform and Control Act; 20
C) Civil Rights Act; 25
D) Davis-Bacon Act; 28

27) Multistate employers must do which of the following for new hire reporting? **(Select all that apply.)**
A) File a report with the state offices for the employee's state of residence
B) File a report with the IRS since they have employees in multiple states
C) Designate which state will receive their new hire reporting
D) File a new-hire report with both the state that contains the firm's headquarters and the state that is the employee's primary residence


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28) Which entity bears the responsibility for gaining approval for a foreign worker visa so a foreign employee may work legally in the United States?
A) The employer
B) The employee
C) The U.S. State Department
D) The employer's home country

29) Abigail is a full-time worker whose primary occupation involves extensive overnight travel to visit wholesaler sites on the behalf of a single company. Which of the following classifications most accurately describes Abigail's employment status?
A) Independent contractor
B) Exempt employee
C) Nonexempt employee
D) Statutory employee

30) Allen is an employee of the foreign subsidiary of a United States based company who lives and works in the United Kingdom. According to FATCA, how much of his wages may Allen exclude from United States' taxes, according to 2016 guidelines?
A) $46,500
B) $79,850
C) $101,300
D) None

31) Which of the following factors assist employers in determining employee pay rates?
**(Select all that apply.)**
A) Employee skill
B) Company location
C) Employee age
D) Industry benchmarks

32) Georgeanne works in a company for which her primary job function is the sale of company products to consumers. She receives a percentage of each sale as part of her compensation. Her compensation contains a _____ element.
A) Piece-rate
B) Commission
C) Pay-for-performance
D) Nonexempt

33) Stan works for a bakery for which part of his compensation is based on the decoration of wedding and other specialty cakes. His compensation has a _____ element.
A) Performance incentive
B) Commission
C) Piece-rate
D) Nonexempt


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34) Which of the following is subject to overtime in the process of hourly computations, according to FLSA?
A) Time worked in excess of eight hours per day
B) Holiday, sick time, and paid time off
C) Time worked in excess of 40 hours per week
D) Nonexempt employee weekend work

35) Which of the following is a necessary element in an accounting system? **(Select all that apply.)**
A) Internal review
B) Audit control
C) Internal control
D) Audit review

36) A payroll review process increases in complexity when:
A) The company is has few departments and few employees.
B) The company is not geographically dispersed.
C) The company is centralized and uses one location.
D) The company has multiple departments and many employees.

37) Outsourcing the payroll process:
A) Relieves the company of the task completion and the review process.
B) Relieves the company of certain task completion but not the review process.
C) Relieves the company of all liability for payroll completion and accuracy.
D) Relieves the company of the review process but not the task completion.

38) A company should assign _____ employee(s) the responsibility for signing payroll checks and disbursements.
A) A limited number of
B) Only one
C) Its most responsible
D) None of these

39) Which of the following is a potential consequence of incorrect calculation of employee time for payroll purposes? **(Select all that apply.)**
A) Federal penalties for not remitting all taxes due
B) Erosion of available cash because of overpayments to employees
C) Increased stakeholder approval due to employee overpayments
D) An increase in legal proceedings initiated by employees

40) For payroll documentation purposes, when an employee needs time away from work:
A) The supervisor should authorize it verbally.
B) The employee should email only department colleagues.
C) Upper management must approve the request.
D) The request should be documented and forwarded to the payroll clerk.


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41) When a payroll clerk receives an approved request for an employee's time away from work, he or she should:
A) Immediately place it in the employee's file.
B) Attach it to the employee's time collection report for the pay period.
C) Destroy the document in accordance with privacy laws.
D) Contact the employee to verify the request.

42) A company should restrict access to payroll files (paper and/or electronic) as a part of _____.
A) File security internal controls
B) Audit trail requirements
C) Compliance with company policy
D) FATCA requirements

43) Which aspect of internal controls for payroll relates to the Sarbanes-Oxley Act?
A) Protecting employee retirement funds
B) Limiting the number of employees authorized to disburse payroll
C) Cross-training employees and altering duties
D) Ensuring the complexity of the audit trail

44) Employee file maintenance is the responsibility of the:
A) Employee.
B) Employer.
C) Payroll vendor.
D) State government.

45) Computerized payroll records are considered a(n):
A) Open system.
B) Open access.
C) Closed system.
D) Closed access.

46) When developing the internal controls and record retention for a payroll system, a company should:
A) Involve all company employees to promote transparency.
B) Develop a closed system and alternate employee duties.
C) Designate a single employee with the responsibility for pay disbursements.
D) Train accounting personnel on a single payroll task.

47) The retention period for payroll documents commences:
A) At the time an employee is hired.
B) When an employee's first pay is disbursed.
C) Once the employee completes one year of service.
D) When an employee terminates employment.


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48) Which of the following parties does **not** legally have access to a firm's payroll records?
A) The IRS
B) State revenue department employees
C) All employees of the firm
D) The Department of Homeland Security

49) Which of the following is true about document retention requirements per the IRS statute of limitations?
A) Federal legislation requires documents to be retained for two years after the employee's termination.
B) Payroll records must be maintained for three years after termination.
C) Union employees' records must be retained for five years after termination.
D) State legislation requires records to be retained for a minimum of eight years after termination.

50) Mako was an employee of the Jaeger Corporation. After she voluntarily terminated employment, auditors discovered evidence of fraudulent activity that they traced to her. Mako's records must be retained:
A) For 10 years.
B) For 15 years.
C) For 20 years.
D) Indefinitely.

51) Max Johnson was terminated from a company in South Carolina because of a reduction in workforce. Which statement best describes the state's requirements for disbursement of his final pay?
A) Within 48 hours.
B) At the next scheduled pay date.
C) On the next business day.
D) Within two weeks.

52) Natalie is involuntarily terminated by a company in Alabama. According to state regulations, when must she receive her final pay?
A) On the next business day
B) No standardized state guidelines exist
C) Within seven business days
D) At the next schedule payday

53) A firm needs to destroy paper payroll records after the end of the retention period. Which of the following is an option for destruction purposes? **(Select all that apply.)**
A) Shredding
B) Discarding
C) Pulping
D) Burning


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54) Geoff is the payroll clerk for a firm that maintains its payroll through computerized records on a centralized server. One of his responsibilities is employee file maintenance, including the destruction of records after the retention time has elapsed. His method of purging employee records is to delete the file from the database. What other record destruction procedures should Geoff follow?
A) None. His method is acceptable.
B) He should check all other employees' computers to ensure that the record is deleted.
C) He should purge the record from the server.
D) He should send an interoffice request to have someone in the information technology department remove the record from the server.

55) What is the difference between termination and resignation, as far as final pay is concerned?
A) Resignation pay may be paid at the next regular pay date, but termination pay is subject to state law.
B) Resignation and termination pay are subject to state regulations.
C) Resignation pay must be paid within one week and termination pay must be the next business day.
D) Resignation pay must be paid on the next business day and termination pay is due immediately.

56) Upon termination, which of the following must be included in an employee's final pay?
A) Hours worked.
B) Vacation previously paid.
C) Severance pay.
D) Sick time accrued but not used.

57) A payroll accountant is preparing the final pay for a commission-based salesperson who has been terminated from the firm. What will happen to the salesperson's commissions that have been earned but not paid?
A) The salesperson must receive termination pay immediately and forfeits all unpaid commissions.
B) The salesperson's final pay is delayed to allow for computation of commissions.
C) The final pay must include all commissions earned, in accordance with any pay agreement.
D) The employee must receive final non-commission pay immediately, but any commission pay will be delayed.

58) What types of records does IRS Regulation 26 CFR 1.6001 cover? **(Select all that apply.)**
A) Manual pay records
B) Computerized pay records
C) Outsourced payroll records
D) Independent contractor remittance

59) Well-designed internal controls promote: **(Select all that apply.)**
A) Legal compliance and file integrity.
B) Opportunities for defalcation.
C) Protection against embezzlement.
D) Audit trail support.


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60) All executive compensation must be:
A) Maintained in a file and purged annually.
B) Available for inspection by any interested party.
C) Annotated as to derivation and benchmarks.
D) Reported with the company's financial statements.

61) Individuals classified as _____ are processed as vendors of a firm.
A) Exempt employees
B) Nonexempt employees
C) Government contract employees
D) Independent contractors

62) _____ payroll is processed every two weeks and will usually result in a lower gross pay per pay period than _____ payroll.
A) Weekly; monthly
B) Semimonthly; biweekly
C) Biweekly; semimonthly
D) Daily; biweekly

63) Form I-9 is issued by the _____ to verify employment eligibility in the United States.
A) Internal Revenue Service
B) Department of Homeland Security
C) Federal Bureau of Investigation
D) Department of Labor

64) Personnel in certain full-time occupations are classified as _____ instead of independent contractors.
A) Contract employees
B) Executive workers
C) Statutory employees
D) Non-statutory workers

65) FATCA enforcement has been difficult because the Internal Revenue Service relies on _____ for reporting purposes.
A) Intermediaries (e.g., banks)
B) Employers and employees
C) Foreign countries
D) Personal income tax returns

66) _____ pay is based on sales revenue, while _____ pay is based on manufacturing.
A) Exempt; nonexempt
B) Commission; overtime
C) Piece-rate; commission
D) Commission; piece-rate


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67) Verification of hours worked and pay accuracy is part of the _____.
A) Disbursement cycle
B) Accounts payable reconciliation
C) CEO's responsibility
D) Payroll review process

68) IRS Regulation 26 CFR 1.6001 mandates _____ procedures as they pertain to payroll records, noting that it is the responsibility of the _____.
A) File maintenance; employer
B) Payroll review; payroll supervisor
C) Check authorization; controller
D) Employee time review; department manager

69) Upon termination from a firm, the employer must disburse the former employee's final pay _____.
A) Immediately
B) Within 24 hours
C) At the next scheduled payday
D) In accordance with state law

70) Payroll records that contain evidence of fraud or other illegal action must be _____.
A) retained for two years
B) destroyed immediately
C) retained indefinitely
D) released to law enforcement officials

71) What is the difference in pay practices between salaried exempt and salaried nonexempt workers?
A) Salaried exempt workers may only work eight hours per day.
B) Salaried nonexempt workers must not work overtime hours.
C) Salaried exempt workers must work between 45 and 50 hours per week.
D) Salaried nonexempt workers are eligible for overtime pay.

72) Jeremiah is a salaried exempt worker whose standard workday consists of eight-hour shifts. During a workweek, he exceeded eight hours of work on two separate days but did not exceed 40 hours during the work week. What is the FLSA provision for the time that he worked past eight hours in a single day?
A) He must be compensated at overtime rates for any hours past eight in a single day.
B) He must reduce the time he works on subsequent days.
C) He must alert his manager of the extra time on the next business day.
D) He will receive no additional compensation for the extra time worked.

73) According to the Fair Labor Standards Act, nonexempt workers receive overtime for:
A) Hours worked in excess of 8 per day and 30 per week.
B) Hours worked in excess of 40 per week.
C) Hours worked in excess of 9 per day or 35 per week.
D) Hours worked in excess of employer-determined rules.


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74) Adrienne is a nonexempt employee who works for a firm that has an elected workweek composed of four 10-hour days and pays overtime after 40 hours worked per week. What is the rule about overtime for her work situation?
A) She must be compensated for all hours worked past 8 in a single day.
B) She will receive overtime pay when working more than 10 hours during a shift.
C) She receives overtime only when she works past 40 hours in any given week.
D) She is not eligible for overtime pay.

75) Which of the following is an example of a typical exempt salaried employee?
A) Operations Manager.
B) Accounting Clerk.
C) Administrative Assistant.
D) Machine Operator.


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**Chapter 2 Payroll System Procedures**

1) The two focuses of payroll procedures are company needs and governmental rules.

Answer: TRUE
Difficulty: 1 Easy
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

2) Employers may choose to omit the employees' Social Security numbers in their employee files.

Answer: FALSE
Explanation: Social Security numbers must be included in all employee files.
Difficulty: 1 Easy
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

3) Semimonthly payroll involves a pay cycle in which pay disbursements occur every two weeks.

Answer: FALSE
Explanation: Semimonthly payroll disbursements occur twice per month.
Difficulty: 1 Easy
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Apply
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

4) Newly hired employees must be reported to governmental officials within 20 days of starting work for an employer.

Answer: TRUE
Difficulty: 1 Easy
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Understand
AACSB: Communication
Accessibility: Keyboard Navigation


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5) Foreign workers in the United States are subject to new hire reporting regulations.

Answer: TRUE
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Apply
AACSB: Diversity
Accessibility: Keyboard Navigation

6) A worker who sells life insurance on a full-time basis is considered a statutory employee.

Answer: TRUE
Difficulty: 1 Easy
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Apply
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

7) U.S. workers in foreign subsidiaries are exempt from all income taxes.

Answer: FALSE
Explanation: Under FATCA, U.S. workers in foreign subsidiaries are only tax-exempt on the first $101,300 of annual income (2016 figure).
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Apply
AACSB: Diversity
Accessibility: Keyboard Navigation

8) Pay rate is the first payroll system decision a company must make.

Answer: FALSE
Explanation: The first payroll system decision is the pay frequency.
Difficulty: 2 Medium
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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9) Only regular working hours are considered as the worked hours for overtime computation.

Answer: TRUE
Difficulty: 2 Medium
Topic: Explain Pay Records and Employee File Maintenance
Learning Objective: 02-04 Explain Pay Records and Employee File Maintenance
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

10) It is considered a best practice to assign one employee all payroll duties.

Answer: FALSE
Explanation: A best practice in payroll accounting is the separation of duties among multiple employees.
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Evaluate
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

11) Which of the following are important decisions that an employer must make regarding its payroll procedures? **(Select all that apply.)**
A) How often to pay employees
B) How to handle pay advances
C) How many employees to hire
D) Which employee benefits to offer

Answer: A, B, D
Difficulty: 2 Medium
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Evaluate
AACSB: Reflective Thinking
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12) Which of the following items must exist in every employee's payroll file?
A) Spouse's social security number
B) Employment history
C) Spouse's birth date
D) Occupation

Answer: D
Difficulty: 2 Medium
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Analyze
AACSB: Communication
Accessibility: Keyboard Navigation

13) Why must pay period information be a part of an employee's payroll file?
A) As a means of tracking time worked for overtime compensation purposes.
B) To ensure that the employee receives all compensation earned.
C) As a means of ensuring pay equality among employees.
D) To document satisfaction of court-ordered obligations.

Answer: A
Difficulty: 2 Medium
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Analyze
AACSB: Communication
Accessibility: Keyboard Navigation

14) Which of the following is/are purpose(s) of new hire reporting laws? **(Select all that apply.)**
A) To ensure payment of court-ordered obligations like garnishments and child support.
B) To keep track of workers throughout their careers.
C) To ensure that the employee may legally work in the United States.
D) To keep track of workers and professionals who are subject to licensing regulations.

Answer: A, C, D
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Evaluate
AACSB: Analytical Thinking
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15) Which pay frequency has 24 pay periods annually?
A) Weekly
B) Biweekly
C) Semimonthly
D) Semi-weekly

Answer: C
Difficulty: 1 Easy
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

16) Which pay frequency has 26 pay periods per year?
A) Bimonthly
B) Biweekly
C) Semimonthly
D) Semi-weekly

Answer: B
Difficulty: 1 Easy
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

17) Which pay frequency has 12 pay periods?
A) Daily
B) Weekly
C) Monthly
D) Semimonthly

Answer: C
Difficulty: 2 Medium
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
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18) What forms are required when an employee is hired? **(Select all that apply.)**
A) W-4
B) I-9
C) SS-4
D) W-2

Answer: A, B
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Apply
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

19) Ibrahim is the payroll accountant for a firm. He notes that the firm has hired a new employee. What forms must he collect from the new employee?
A) W-2 and I-9
B) W-4 and I-9
C) W-4 and I-8
D) W-3 and I-9

Answer: B
Difficulty: 1 Easy
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Apply
AACSB: Communication
Accessibility: Keyboard Navigation

20) If a firm pays its employees biweekly, how often does it disburse employee compensation?
A) Twice per week
B) Every week
C) Every two weeks
D) Every three weeks

Answer: C
Difficulty: 1 Easy
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Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
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21) Why is it important for an employer to classify a worker as either an employee or an independent contractor?
A) For tax reporting purposes
B) For child support obligations purposes
C) For government tracking purposes
D) For reimbursement purposes

Answer: A
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Evaluate
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

22) Which of the following is a purpose of new hire reporting? **(Select all that apply.)**
A) Immigration agency tracking
B) COBRA benefits administration
C) Communications of ethics violations for clerical workers
D) Child support obligations tracking

Answer: A, B, D
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
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AACSB: Reflective Thinking
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23) An employer must have an employee complete Form W-4:
A) Before each pay disbursement.
B) Each year, upon the employee's anniversary with the firm.
C) Every January 1.
D) At the time of hire.

Answer: D
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Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Evaluate
AACSB: Communication
Accessibility: Keyboard Navigation


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24) Josh, who is 21 years of age, is a new employee of XYZ Company. To establish his identity and employment authorization, he could present:
A) His current United States passport.
B) His library card and birth certificate.
C) His driver's license and ATM card.
D) His college transcript and driver's license.

Answer: A
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Topic: Prepare Required Employee Documentation
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Bloom's: Apply
AACSB: Communication
Accessibility: Keyboard Navigation

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D) Davis-Bacon Act; 28

Answer: B
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Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Analyze
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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27) Multistate employers must do which of the following for new hire reporting? **(Select all that apply.)**
A) File a report with the state offices for the employee's state of residence
B) File a report with the IRS since they have employees in multiple states
C) Designate which state will receive their new hire reporting
D) File a new-hire report with both the state that contains the firm's headquarters and the state that is the employee's primary residence

Answer: A, C, D
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Analyze
AACSB: Communication
Accessibility: Keyboard Navigation

28) Which entity bears the responsibility for gaining approval for a foreign worker visa so a foreign employee may work legally in the United States?
A) The employer
B) The employee
C) The U.S. State Department
D) The employer's home country

Answer: A
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Analyze
AACSB: Diversity
Accessibility: Keyboard Navigation

29) Abigail is a full-time worker whose primary occupation involves extensive overnight travel to visit wholesaler sites on the behalf of a single company. Which of the following classifications most accurately describes Abigail's employment status?
A) Independent contractor
B) Exempt employee
C) Nonexempt employee
D) Statutory employee

Answer: D
Difficulty: 3 Hard
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Analyze
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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30) Allen is an employee of the foreign subsidiary of a United States based company who lives and works in the United Kingdom. According to FATCA, how much of his wages may Allen exclude from United States' taxes, according to 2016 guidelines?
A) $46,500
B) $79,850
C) $101,300
D) None

Answer: C
Difficulty: 1 Easy
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Understand
AACSB: Diversity
Accessibility: Keyboard Navigation

31) Which of the following factors assist employers in determining employee pay rates?
**(Select all that apply.)**
A) Employee skill
B) Company location
C) Employee age
D) Industry benchmarks

Answer: A, B, D
Difficulty: 3 Hard
Topic: Explain Pay Records and Employee File Maintenance
Learning Objective: 02-04 Explain Pay Records and Employee File Maintenance
Bloom's: Apply
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

32) Georgeanne works in a company for which her primary job function is the sale of company products to consumers. She receives a percentage of each sale as part of her compensation. Her compensation contains a _____ element.
A) Piece-rate
B) Commission
C) Pay-for-performance
D) Nonexempt

Answer: B
Difficulty: 1 Easy
Topic: Explain Pay Records and Employee File Maintenance
Learning Objective: 02-04 Explain Pay Records and Employee File Maintenance
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation


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33) Stan works for a bakery for which part of his compensation is based on the decoration of wedding and other specialty cakes. His compensation has a _____ element.
A) Performance incentive
B) Commission
C) Piece-rate
D) Nonexempt

Answer: C
Difficulty: 2 Medium
Topic: Explain Pay Records and Employee File Maintenance
Learning Objective: 02-04 Explain Pay Records and Employee File Maintenance
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

34) Which of the following is subject to overtime in the process of hourly computations, according to FLSA?
A) Time worked in excess of eight hours per day
B) Holiday, sick time, and paid time off
C) Time worked in excess of 40 hours per week
D) Nonexempt employee weekend work

Answer: C
Difficulty: 2 Medium
Topic: Explain Pay Records and Employee File Maintenance
Learning Objective: 02-04 Explain Pay Records and Employee File Maintenance
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

35) Which of the following is a necessary element in an accounting system? **(Select all that apply.)**
A) Internal review
B) Audit control
C) Internal control
D) Audit review

Answer: A, C
Difficulty: 3 Hard
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Apply
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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36) A payroll review process increases in complexity when:
A) The company is has few departments and few employees.
B) The company is not geographically dispersed.
C) The company is centralized and uses one location.
D) The company has multiple departments and many employees.

Answer: D
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

37) Outsourcing the payroll process:
A) Relieves the company of the task completion and the review process.
B) Relieves the company of certain task completion but not the review process.
C) Relieves the company of all liability for payroll completion and accuracy.
D) Relieves the company of the review process but not the task completion.

Answer: B
Difficulty: 3 Hard
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Evaluate
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

38) A company should assign _____ employee(s) the responsibility for signing payroll checks and disbursements.
A) A limited number of
B) Only one
C) Its most responsible
D) None of these

Answer: A
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Apply
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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39) Which of the following is a potential consequence of incorrect calculation of employee time for payroll purposes? **(Select all that apply.)**
A) Federal penalties for not remitting all taxes due
B) Erosion of available cash because of overpayments to employees
C) Increased stakeholder approval due to employee overpayments
D) An increase in legal proceedings initiated by employees

Answer: A, B, D
Difficulty: 3 Hard
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Evaluate
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

40) For payroll documentation purposes, when an employee needs time away from work:
A) The supervisor should authorize it verbally.
B) The employee should email only department colleagues.
C) Upper management must approve the request.
D) The request should be documented and forwarded to the payroll clerk.

Answer: D
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Apply
AACSB: Communication
Accessibility: Keyboard Navigation

41) When a payroll clerk receives an approved request for an employee's time away from work, he or she should:
A) Immediately place it in the employee's file.
B) Attach it to the employee's time collection report for the pay period.
C) Destroy the document in accordance with privacy laws.
D) Contact the employee to verify the request.

Answer: B
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Apply
AACSB: Communication
Accessibility: Keyboard Navigation


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42) A company should restrict access to payroll files (paper and/or electronic) as a part of _____.
A) File security internal controls
B) Audit trail requirements
C) Compliance with company policy
D) FATCA requirements

Answer: A
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Apply
AACSB: Ethics
Accessibility: Keyboard Navigation

43) Which aspect of internal controls for payroll relates to the Sarbanes-Oxley Act?
A) Protecting employee retirement funds
B) Limiting the number of employees authorized to disburse payroll
C) Cross-training employees and altering duties
D) Ensuring the complexity of the audit trail

Answer: C
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Analyze
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

44) Employee file maintenance is the responsibility of the:
A) Employee.
B) Employer.
C) Payroll vendor.
D) State government.

Answer: B
Difficulty: 3 Hard
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Evaluate
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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45) Computerized payroll records are considered a(n):
A) Open system.
B) Open access.
C) Closed system.
D) Closed access.

Answer: C
Difficulty: 1 Easy
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Understand
AACSB: Technology
Accessibility: Keyboard Navigation

46) When developing the internal controls and record retention for a payroll system, a company should:
A) Involve all company employees to promote transparency.
B) Develop a closed system and alternate employee duties.
C) Designate a single employee with the responsibility for pay disbursements.
D) Train accounting personnel on a single payroll task.

Answer: B
Difficulty: 3 Hard
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Create
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

47) The retention period for payroll documents commences:
A) At the time an employee is hired.
B) When an employee's first pay is disbursed.
C) Once the employee completes one year of service.
D) When an employee terminates employment.

Answer: D
Difficulty: 3 Hard
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation


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48) Which of the following parties does **not** legally have access to a firm's payroll records?
A) The IRS
B) State revenue department employees
C) All employees of the firm
D) The Department of Homeland Security

Answer: C
Difficulty: 2 Medium
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Evaluate
AACSB: Communication
Accessibility: Keyboard Navigation

49) Which of the following is true about document retention requirements per the IRS statute of limitations?
A) Federal legislation requires documents to be retained for two years after the employee's termination.
B) Payroll records must be maintained for three years after termination.
C) Union employees' records must be retained for five years after termination.
D) State legislation requires records to be retained for a minimum of eight years after termination.

Answer: B
Difficulty: 3 Hard
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Evaluate
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

50) Mako was an employee of the Jaeger Corporation. After she voluntarily terminated employment, auditors discovered evidence of fraudulent activity that they traced to her. Mako's records must be retained:
A) For 10 years.
B) For 15 years.
C) For 20 years.
D) Indefinitely.

Answer: D
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Analyze
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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51) Max Johnson was terminated from a company in South Carolina because of a reduction in workforce. Which statement best describes the state's requirements for disbursement of his final pay?
A) Within 48 hours.
B) At the next scheduled pay date.
C) On the next business day.
D) Within two weeks.

Answer: A
Difficulty: 2 Medium
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

52) Natalie is involuntarily terminated by a company in Alabama. According to state regulations, when must she receive her final pay?
A) On the next business day
B) No standardized state guidelines exist
C) Within seven business days
D) At the next schedule payday

Answer: B
Difficulty: 2 Medium
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Apply
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation


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53) A firm needs to destroy paper payroll records after the end of the retention period. Which of the following is an option for destruction purposes? **(Select all that apply.)**
A) Shredding
B) Discarding
C) Pulping
D) Burning

Answer: A, C, D
Difficulty: 1 Easy
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Understand
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

54) Geoff is the payroll clerk for a firm that maintains its payroll through computerized records on a centralized server. One of his responsibilities is employee file maintenance, including the destruction of records after the retention time has elapsed. His method of purging employee records is to delete the file from the database. What other record destruction procedures should Geoff follow?
A) None. His method is acceptable.
B) He should check all other employees' computers to ensure that the record is deleted.
C) He should purge the record from the server.
D) He should send an interoffice request to have someone in the information technology department remove the record from the server.

Answer: C
Difficulty: 3 Hard
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Evaluate
AACSB: Technology
Accessibility: Keyboard Navigation


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55) What is the difference between termination and resignation, as far as final pay is concerned?
A) Resignation pay may be paid at the next regular pay date, but termination pay is subject to state law.
B) Resignation and termination pay are subject to state regulations.
C) Resignation pay must be paid within one week and termination pay must be the next business day.
D) Resignation pay must be paid on the next business day and termination pay is due immediately.

Answer: A
Difficulty: 2 Medium
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Apply
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

56) Upon termination, which of the following must be included in an employee's final pay?
A) Hours worked.
B) Vacation previously paid.
C) Severance pay.
D) Sick time accrued but not used.

Answer: A
Difficulty: 2 Medium
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation


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57) A payroll accountant is preparing the final pay for a commission-based salesperson who has been terminated from the firm. What will happen to the salesperson's commissions that have been earned but not paid?
A) The salesperson must receive termination pay immediately and forfeits all unpaid commissions.
B) The salesperson's final pay is delayed to allow for computation of commissions.
C) The final pay must include all commissions earned, in accordance with any pay agreement.
D) The employee must receive final non-commission pay immediately, but any commission pay will be delayed.

Answer: C
Difficulty: 3 Hard
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Evaluate
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

58) What types of records does IRS Regulation 26 CFR 1.6001 cover? **(Select all that apply.)**
A) Manual pay records
B) Computerized pay records
C) Outsourced payroll records
D) Independent contractor remittance

Answer: A, B, C
Difficulty: 3 Hard
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

59) Well-designed internal controls promote: **(Select all that apply.)**
A) Legal compliance and file integrity.
B) Opportunities for defalcation.
C) Protection against embezzlement.
D) Audit trail support.

Answer: A, C, D
Difficulty: 3 Hard
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Evaluate
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation


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60) All executive compensation must be:
A) Maintained in a file and purged annually.
B) Available for inspection by any interested party.
C) Annotated as to derivation and benchmarks.
D) Reported with the company's financial statements.

Answer: C
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Apply; Evaluate
AACSB: Communication
Accessibility: Keyboard Navigation

61) Individuals classified as _____ are processed as vendors of a firm.
A) Exempt employees
B) Nonexempt employees
C) Government contract employees
D) Independent contractors

Answer: D
Difficulty: 1 Easy
Topic: Identify Important Payroll Procedures and Pay Cycles; Prepare Required Employee Documentation
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles; 02-02 Prepare Required Employee Documentation
Bloom's: Understand
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

62) _____ payroll is processed every two weeks and will usually result in a lower gross pay per pay period than _____ payroll.
A) Weekly; monthly
B) Semimonthly; biweekly
C) Biweekly; semimonthly
D) Daily; biweekly

Answer: C
Difficulty: 2 Medium
Topic: Identify Important Payroll Procedures and Pay Cycles
Learning Objective: 02-01 Identify Important Payroll Procedures and Pay Cycles
Bloom's: Analyze
AACSB: Reflective Thinking
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63) Form I-9 is issued by the _____ to verify employment eligibility in the United States.
A) Internal Revenue Service
B) Department of Homeland Security
C) Federal Bureau of Investigation
D) Department of Labor

Answer: B
Difficulty: 1 Easy
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation

64) Personnel in certain full-time occupations are classified as _____ instead of independent contractors.
A) Contract employees
B) Executive workers
C) Statutory employees
D) Non-statutory workers

Answer: C
Difficulty: 1 Easy
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

65) FATCA enforcement has been difficult because the Internal Revenue Service relies on _____ for reporting purposes.
A) Intermediaries (e.g., banks)
B) Employers and employees
C) Foreign countries
D) Personal income tax returns

Answer: A
Difficulty: 2 Medium
Topic: Prepare Required Employee Documentation
Learning Objective: 02-02 Prepare Required Employee Documentation
Bloom's: Analyze
AACSB: Diversity
Accessibility: Keyboard Navigation


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66) _____ pay is based on sales revenue, while _____ pay is based on manufacturing.
A) Exempt; nonexempt
B) Commission; overtime
C) Piece-rate; commission
D) Commission; piece-rate

Answer: D
Difficulty: 1 Easy
Topic: Explain Pay Records and Employee File Maintenance
Learning Objective: 02-04 Explain Pay Records and Employee File Maintenance
Bloom's: Understand
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

67) Verification of hours worked and pay accuracy is part of the _____.
A) Disbursement cycle
B) Accounts payable reconciliation
C) CEO's responsibility
D) Payroll review process

Answer: D
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Apply
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

68) IRS Regulation 26 CFR 1.6001 mandates _____ procedures as they pertain to payroll records, noting that it is the responsibility of the _____.
A) File maintenance; employer
B) Payroll review; payroll supervisor
C) Check authorization; controller
D) Employee time review; department manager

Answer: A
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Apply
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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69) Upon termination from a firm, the employer must disburse the former employee's final pay _____.
A) Immediately
B) Within 24 hours
C) At the next scheduled payday
D) In accordance with state law

Answer: D
Difficulty: 2 Medium
Topic: Discuss Employee Termination and Document Destruction Procedures
Learning Objective: 02-06 Discuss Employee Termination and Document Destruction Procedures
Bloom's: Apply
AACSB: Communication
Accessibility: Keyboard Navigation

70) Payroll records that contain evidence of fraud or other illegal action must be _____.
A) retained for two years
B) destroyed immediately
C) retained indefinitely
D) released to law enforcement officials

Answer: C
Difficulty: 2 Medium
Topic: Describe Internal Controls and Record Retention for a Payroll System
Learning Objective: 02-05 Describe Internal Controls and Record Retention for a Payroll System
Bloom's: Analyze
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

71) What is the difference in pay practices between salaried exempt and salaried nonexempt workers?
A) Salaried exempt workers may only work eight hours per day.
B) Salaried nonexempt workers must not work overtime hours.
C) Salaried exempt workers must work between 45 and 50 hours per week.
D) Salaried nonexempt workers are eligible for overtime pay.

Answer: D
Difficulty: 2 Medium
Topic: Differentiate Between Exempt and Nonexempt Workers
Learning Objective: 02-03 Differentiate Between Exempt and Nonexempt Workers
Bloom's: Analyze
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation


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72) Jeremiah is a salaried exempt worker whose standard workday consists of eight-hour shifts. During a workweek, he exceeded eight hours of work on two separate days but did not exceed 40 hours during the work week. What is the FLSA provision for the time that he worked past eight hours in a single day?
A) He must be compensated at overtime rates for any hours past eight in a single day.
B) He must reduce the time he works on subsequent days.
C) He must alert his manager of the extra time on the next business day.
D) He will receive no additional compensation for the extra time worked.

Answer: D
Difficulty: 3 Hard
Topic: Differentiate Between Exempt and Nonexempt Workers
Learning Objective: 02-03 Differentiate Between Exempt and Nonexempt Workers
Bloom's: Evaluate
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

73) According to the Fair Labor Standards Act, nonexempt workers receive overtime for:
A) Hours worked in excess of 8 per day and 30 per week.
B) Hours worked in excess of 40 per week.
C) Hours worked in excess of 9 per day or 35 per week.
D) Hours worked in excess of employer-determined rules.

Answer: B
Difficulty: 1 Easy
Topic: Differentiate Between Exempt and Nonexempt Workers
Learning Objective: 02-03 Differentiate Between Exempt and Nonexempt Workers
Bloom's: Understand
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

74) Adrienne is a nonexempt employee who works for a firm that has an elected workweek composed of four 10-hour days and pays overtime after 40 hours worked per week. What is the rule about overtime for her work situation?
A) She must be compensated for all hours worked past 8 in a single day.
B) She will receive overtime pay when working more than 10 hours during a shift.
C) She receives overtime only when she works past 40 hours in any given week.
D) She is not eligible for overtime pay.

Answer: C
Difficulty: 2 Medium
Topic: Differentiate Between Exempt and Nonexempt Workers
Learning Objective: 02-03 Differentiate Between Exempt and Nonexempt Workers
Bloom's: Analyze
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75) Which of the following is an example of a typical exempt salaried employee?
A) Operations Manager.
B) Accounting Clerk.
C) Administrative Assistant.
D) Machine Operator.

Answer: A
Difficulty: 2 Medium
Topic: Differentiate Between Exempt and Nonexempt Workers
Learning Objective: 02-03 Differentiate Between Exempt and Nonexempt Workers
Bloom's: Understand
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