Payroll Accounting 2026 Release 1st edition Landin Test Bank

SKU: 9781265750398-TEST-BANK

Correct answers located at the end of the chapter.

TRUE/FALSE - Write 'T' if the statement is true and 'F' if the statement is false.

1) Payroll and human resources legislation mirror societal evolution.
   - ◎ true
   - ◎ false

2) The difference between the Civil Rights Act of 1964 and the Civil Rights Act of 1991 is the addition of protections for more minority groups.
   - ◎ true
   - ◎ false

3) The SECURE 2.0 Act of 2022 added over 90 provisions to assist workers with setting aside money for retirement.
   - ◎ true
   - ◎ false

4) Workers' Compensation insurance is mandated by states and is based on worker classification and associated risks.
   - ◎ true
   - ◎ false

5) The E-Verify process replaces the need to collect the documentation required by the I-9.
   - ◎ true
   - ◎ false

6) Ethical principles are codified for all payroll accountants.
   - ◎ true
   - ◎ false

7) The Fair Labor Standards Act has two levels of coverage: individual and enterprise.
   - ◎ true
   - ◎ false

Payroll Accounting 2026 Release 1st edition Landin Test Bank

8) The ethical principle of integrity pertains to standards for remaining current with payroll professional development and certification.
   - ◎ true
   - ◎ false

9) The Computer Fraud and Abuse Act addresses cybercrime, an essential part of payroll protection.
   - ◎ true
   - ◎ false

10) The use of payroll apps shifts the onus for payroll accuracy from the employer to the employee.
   - ◎ true
   - ◎ false

MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question.

11) The Personal Responsibility, Work and Family Promotion Act of 2002 mandated that new employees must be reported to state employment offices within how many days of the employee commencing employment?
   - A) 30
   - B) 25
   - C) 20
   - D) 15

12) Which Act required the reporting of COVID-19-related leave?
   - A) DOMA
   - B) ARPA
   - C) FMLA
   - D) FFCRA

Payroll Accounting 2026 Release 1st edition Landin Test Bank

13) During which decade were many landmark payroll legislation pieces enacted?

A) 1910s
B) 1920s
C) 1930s
D) 1940s

14) Which federal act assists workers who are displaced through no fault of their own?

A) HIPAA
B) FUTA
C) SUTA
D) ERISA

15) As of 2024, at what age may people born after 1960 receive full Social Security retirement benefits?

A) 62
B) 65
C) 67
D) 69

16) Which Act created the classification of workers as exempt or nonexempt?

A) SSA
B) FICA
C) CTPA
D) FLSA

17) Which of the following employer obligations is an insurance policy, not legislation?

A) Sarbanes-Oxley
B) Workers' compensation
C) Walsh-Healey
D) Davis-Bacon

Payroll Accounting 2026 Release 1st edition Landin Test Bank

18) Which ethical principle emphasizes the use of moral judgment in all actions?

A) Professionalism
B) Confidentiality
C) Integrity
D) Due Care

19) Which of the following situations would **not** potentially comprise a payroll accountant's objectivity or independence, according to the PCAOB?

A) Personal or family ownership of <1 percent of company shares
B) Commitment to present or future financial interest in a client's business
C) Personal engagement with a client's firm in terms of ownership
D) Purchase of greater than five percent of the company's shares

20) Employment legislation during the 1960s included which of the following Acts:

A) FLSA, FUTA, and FICA.
B) Civil Rights Act, ADEA, and Equal Pay Act.
C) CTPA, FICA, and ERISA.
D) DOMA, FMLA, and PRWOR.

21) The main purpose of the Current Tax Payment Act was to:

A) ensure that all employees pay appropriate taxes.
B) maintain legal eligibility to work in the United States.
C) mandate employer remittance of taxes withheld from employees.
D) provide benefits for workers who were displaced from their jobs.

22) Which act adds monetary penalties for illegal discriminatory employer actions?

A) Civil Rights Act of 1964
B) Davis-Bacon Act
C) Americans with Disabilities Act
D) Civil Rights Act of 1991

Payroll Accounting 2026 Release 1st edition Landin Test Bank

23) Which of the following legislation specifically pertains to government contractors?
A) ADEA and ERISA
B) Davis-Bacon Act and Walsh-Healey Act
C) FLSA and FICA
D) DOMA and FMLA

24) Which Amendment to the U.S. Constitution mandated a federal income tax for employees?
A) 13th Amendment
B) 16th Amendment
C) 20th Amendment
D) 24th Amendment

25) What form should employers use to determine if a worker is an employee or independent contractor?
A) Form W-2
B) Form 941
C) Form 1099
D) Form SS-8

26) Employees may be classified as exempt or nonexempt because of provisions of the:
A) Current Tax Payment Act.
B) Sixteenth Amendment to the US Constitution.
C) Social Security Act.
D) Fair Labor Standards Act.

27) Which of the following is among the guidelines for a payroll code of ethics?
A) Reporting
B) Accountability
C) Integrity
D) Interdependence

Payroll Accounting 2026 Release 1st edition Landin Test Bank

28) The accounting employees at Redwood Roofing have not attended professional development training in two years. Which ethical principle have they violated?

A) Confidentiality
B) Professionalism
C) Professional Competence and Due Care
D) Integrity

29) Emerson is the payroll accountant for WexWorks, Incorporated, and uses the on-site company exercise facilities. During one of the exercise sessions, a coworker asks about pay rates for management at the company. Which ethical principle prevents Emerson from disclosing such information?

A) Confidentiality
B) Objectivity and Independence
C) Integrity
D) Professional Competence and Due Care

30) Peyton is an employee of Elite Engravings a family owned and operated firm. Peyton's relative, Tatum, asks to postpone payroll processing due to an urgent family issue. Which ethical principle might Tatum's request violate?

A) Objectivity and Independence
B) Professional Competence and Due Care
C) Integrity
D) Professionalism

31) Morgan is the payroll accountant for the family's company. A sibling has asked Morgan to overlook their payroll tax liability for a pay period so they can have a little extra cash in their paycheck. Which ethical principle would Morgan violate if they complied with their brother's request?

A) Confidentiality
B) Objectivity and Independence
C) Integrity
D) Professionalism

Payroll Accounting 2026 Release 1st edition Landin Test Bank

32) Emery is the owner of a motel franchise. When the payroll accountant quit, Emery took over the payroll responsibilities. Emery has had no training in payroll practices. Which ethical principle most closely describes Emery's takeover of the franchise's payroll?

A) Objectivity and Independence
B) Integrity
C) Professional Competence and Due Care
D) Confidentiality

33) Which most closely identifies why it is important for payroll accountants to adhere to a Code of Ethics?

A) To maintain company profitability
B) To overlook fraudulent actions of company officers
C) To protect the assets of the company and remit money owed to the government
D) To maintain personal standards only

34) In the event of an ethical breach by a payroll accountant, which entity is ultimately liable for any monetary damages due to stakeholders?

A) The payroll accountant
B) The company, its CEO, or president
C) The governmental entity associated with company oversight
D) The entity that issued the license to the accountant

35) Contemporary payroll practices reflect:

A) a shift toward manual payroll processing for security concerns.
B) the decrease in labor costs that reflects the effect of the economic recession.
C) the transition to Internet- or cloud-based accounting software.
D) the replacement of accounting personnel with computerized systems.

36) Which of the following is a challenge for payroll accountants?

A) Electronic tax filing requirements
B) Employees based only in one country
C) Outsourced payroll processing as a default
D) Lack of security available for online programs

Payroll Accounting 2026 Release 1st edition Landin Test Bank

37) What is a best practice for payroll accountants?
A) Payroll should be regarded as a separate entity within a firm.
B) Technology has impeded the development of global companies.
C) Payroll is a tool for a firm's strategic planning.
D) Payroll accountants are not important to the decision-making process.

38) Which of the following is a payroll accountant's responsibility when preparing payroll?
A) Withholding disbursements until after the pay date
B) Use of manual computations for preparation
C) Accessibility of payroll data to all company employees
D) Accuracy of payroll computations and disbursement information

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

40) Which form does the Internal Revenue Service use to keep track of employees?
A) SS-4
B) I-9
C) SS-8
D) W-4

41) Oakley is the CFO for Parsons Project Management. They have been notified of an impending audit of all accounting records. What is Oakley's role in the audit?
A) They are required to be absent during the audit to avoid influencing the results.
B) They must agree to serve on the audit staff for other companies.
C) They must be available to answer questions and grant access to payroll records.
D) They must prevent privacy breaches by disallowing access to payroll records.

Payroll Accounting 2026 Release 1st edition Landin Test Bank

42) Which of the following is **not** a privacy act specifically pertaining to payroll records?
A) Common Law Privacy Act
B) Freedom of Information Act
C) U.S. Department of Health and Human Services Privacy Act 09-40-0006
D) Computer Fraud and Abuse Act

43) Why do different methods of time collection devices (e.g., time cards, biometric devices) exist among companies?
A) They leverage artificial intelligence, bypassing human error.
B) They reduce the need for payroll oversight.
C) They promote accurate time measurement.
D) They alleviate the need for internal control.

44) Which of the following is a payroll-related challenge that large companies may experience?
A) Centralized reporting
B) Ease of communication
C) Homogeneous workforce
D) Dispersed geographic locations

45) Ari's Art Supply, a multi-state franchise, uses a company-maintained website to allow employment management of their payroll records. What would be the most significant concern for the firm?
A) Accuracy of employee-entered data
B) Employer access to stored data
C) Website access problems
D) Personnel data security

46) One benefit of cloud-based payroll accounting is:
A) an on-site standalone system dedicated to payroll processing.
B) regularly scheduled software updates.
C) access to all company personnel records.
D) access by any company employee.

Payroll Accounting 2026 Release 1st edition Landin Test Bank

47) Sloan is a payroll accountant in a company that specializes in custom products. The biggest payroll challenge is the accurate allocation of labor to jobs. Which of the following represents the most accurate option to track the company's labor costs?

A) Handwritten time slips with employee-reported time per job.
B) Verbal reporting of time worked per job.
C) Computer logins when employees change tasks.
D) Radio-frequency time cards to track time allocations.

48) What is the most significant payroll challenge for small businesses?

A) Availability of payroll-trained personnel
B) Availability of accounting resources
C) Accessibility of free on-site payroll software
D) Accessibility of on-site payroll guidance

49) An example of an accounting software package that fosters cloud-based payroll processing for small businesses is:

A) SageBooks.
B) Quick100.
C) QuickBooks.
D) GreatBooks.

50) Paycards represent a trend in payroll disbursement that alleviates the employee's need for a:

A) timesheet.
B) bank account.
C) computer.
D) supervisor.

51) The largest challenge to companies that use manual payroll processing is:

A) payroll tax accuracy.
B) integrating employee data.
C) disbursing employee pay.
D) filing appropriate governmental reports.

Payroll Accounting 2026 Release 1st edition Landin Test Bank

52) Why is outsourced payroll popular among accounting professionals?
A) Payroll processing requires less oversight.
B) Data generated by the outsourced company is completely accurate.
C) Time demands for payroll processing decrease.
D) Records generated by outsourced vendors are not subject to oversight.

53) Which law requires a company with federal contracts to use certified payroll for any contract size?
A) Walsh-Healey Public Contracts Act
B) Copeland Anti-Kickback Act
C) Davis-Bacon Act
D) Sarbanes-Oxley Act

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

55) _____ is the state counterpart of FUTA.
A) Fair Labor Standards Act
B) Worker's compensation insurance
C) State Income Tax Act
D) State Unemployment Tax Act

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

Payroll Accounting 2026 Release 1st edition Landin Test Bank

57) Worker's compensation is an insurance policy used for:
A) employer legal protection.
B) payment of mandatory payroll taxes.
C) wage continuation after job-related injuries.
D) settlement of payroll-related lawsuits.

58) According to the PCAOB, personal or family ownership in excess of five percent of a client's business may compromise a payroll accountant's:
A) professional competence and due care.
B) objectivity and independence.
C) professionalism.
D) integrity.

59) What was the purpose of the SECURE 2.0 Act?
A) Employee security
B) Employer stability
C) Retirement planning
D) Website security

60) Which legislation did the PATH Act extend?
A) FMLA
B) FLSA
C) ERISA
D) ATRA

61) The _____ prohibited discrimination based on race, creed, color, gender, or national origin.
A) Civil Rights Act of 1964
B) Civil Rights Act of 1991
C) Equal Pay Act of 1963
D) Fair Labor Standards Act of 1935

Payroll Accounting 2026 Release 1st edition Landin Test Bank

62) The _____ modified the statute of limitations imposed by the Equal Pay Act of 1963.
A) Civil Rights Act of 1991
B) Lilly Ledbetter Fair Pay Act of 2009
C) Setting Every Community Up for Retirement Enhancement Act of 2020
D) Consolidated Omnibus Budget Reformation Act of 1986

63) The _____ mandated employer verification and reporting of an employee's legal ability to work in the United States.
A) Personal Responsibility and Work Opportunity Reconciliation Act of 1996
B) Immigration Reform and Control Act of 1986
C) American Reinvestment and Recovery Act of 2009
D) Protecting Americans from Tax Hikes Act of 2015

64) Payment of prevailing local wages for government contractors was mandated by the _____.
A) Davis-Bacon Act
B) Walsh-Healey Public Contracts Act
C) Fair Labor Standards Act
D) Equal Pay Act

65) Congress passed the _____ and _____ to assist displaced workers.
A) Federal Unemployment Tax Act; Social Security Insurance Act
B) SECURE Act; Federal Unemployment Insurance Act
C) 16th Amendment; Fair Labor Standards Act
D) Federal Income Contributions Act; Federal Unemployment Tax Act

66) The ethical principle of _____ applies to the security of payroll records.
A) professional competence and due care
B) integrity
C) confidentiality
D) objectivity and independence

Payroll Accounting 2026 Release 1st edition Landin Test Bank

67) An accountant must remain impartial in all dealings, according to the ethical principle of _____.

A) professionalism
B) objectivity and independence
C) professional competence and due care
D) integrity

68) Employers must request a(n) _____ by using form _____ for the Internal Revenue Service to track a firm's payroll tax obligations.

A) Social Security Number; W-4
B) Employer Registration Number; SS-8
C) Tax Identification Number; W-2
D) Employer Identification Number; SS-4

69) Companies use _____ and _____ to allow employees to have rapid, electronic access to their compensation.

A) cash; checks
B) cash; direct deposit
C) direct deposit; paycards
D) paycards; checks

70) _____ is required under the Davis-Bacon Act for employers who engage with federal contracts.

A) Cloud-based payroll
B) Centralized payroll
C) Certified payroll
D) Computerized payroll

71) The _____ instituted significant changes to payroll taxes, especially adjustments for inflation and employee income tax computation.

A) Protecting Americans from Tax Hikes Act
B) Tax Cuts and Jobs Act
C) Walsh-Healey Public Contracts Act
D) Affordable Care Act

Payroll Accounting 2026 Release 1st edition Landin Test Bank

72) The Consolidated Appropriations Act included an increase in funding for the _____ program.
A) Medicare
B) PATH
C) SECURE
D) E-Verify

73) When an employer verifies an employee's employment eligibility, _____ is mandatory but _____ is not.
A) Form W-4; Form I-9
B) E-Verify; Form I-9
C) E-Verify; Form W-4
D) Form I-9; E-Verify

74) To re-verify an employee's employment authorization, _____ must be used.
A) Form I-9
B) Form W-4
C) E-Verify
D) Form W-2

75) A provision of the _____ made managers and supervisors ineligible to participate in the tip pools, when used for tipped employees.
A) Tipped Employees Act
B) Tax Cuts and Jobs Act
C) Consolidated Appropriations Act
D) Equal Employment Act

76) The _____ granted small employers tax incentives for implementing automatic retirement plan enrollment for their employees.
A) PATH Act
B) SECURE 2.0 Act
C) CAA Act
D) SAFE AGE Act

Payroll Accounting 2026 Release 1st edition Landin Test Bank

77) The _____ represented sweeping changes to the tax code and reframed the computation of employee income tax.

A) Consolidated Appropriations Act
B) Affordable Care Act
C) Tax Cuts and Jobs Act
D) E-Verify Act

Payroll Accounting 2026 Release 1st edition Landin Test Bank

Answer Key

Test name: Chapter 01-01

1) TRUE
2) FALSE
3) TRUE
4) TRUE
5) FALSE
6) FALSE
7) TRUE
8) FALSE
9) TRUE
10) FALSE
11) C
12) D
13) C
14) B
15) C
16) D
17) B
18) B
19) A
20) B
21) C
22) D
23) B
24) B
25) D
26) D
27) C
28) C
29) A
30) D
31) B
32) C
33) C
34) B
35) C
36) A
37) C

Payroll Accounting 2026 Release 1st edition Landin Test Bank

38) D
39) D
40) D
41) C
42) B
43) C
44) D
45) D
46) B
47) D
48) A
49) C
50) B
51) A
52) C
53) C
54) B
55) D
56) D
57) C
58) B
59) C
60) D
61) A
62) B
63) B
64) A
65) A
66) C
67) B
68) D
69) C
70) C
71) B
72) D
73) D
74) A
75) C
76) B
77) C

Payroll Accounting 2026 Release 1st edition Landin Test Bank