

ACC 132 – Payroll Accounting
Study Outline for Exam 1: Chapters 1 and 2

Format

1 attempt with a 120 minute time limit – be sure to complete by the due date on the Course Schedule!!

Includes the following:

20 multiple choice from Chapter 1 at 2 points each	40
1 * Payroll Register Problem	60
3 Short Problems worth 10 points each	30
TOTAL	130

NOTE: See Cengage for an EXAM 1 PRACTICE Assignment – to help prepare you for the * Payroll Register Problem!! In addition, review the following concepts to help prepare you for the multiple choice section:

Chapter 1 Concepts

Labor Laws

- Fair Labor Standards Act (FLSA) – know federal and Hawai'i minimum wage, have general understanding of record keeping requirements
- Federal Insurance Contributions Act (FICA) – what is it used for, who pays the tax
- Income Tax Withholding Laws – which government(s) can pass an income tax, who pays the tax
- Unemployment Tax Acts – know the two tax acts and what they pay for, who pays these taxes
- Civil Rights Act of 1964 – who does this act protect, what agency was created to enforce it
- Age Discrimination in Employment Act (ADEA) – who is protected by this act and from what
- Americans with Disabilities Act (ADA) – who is protected by this act and from what
- Immigration Reform and Control Act of 1986 (IRCA) – what does this act require of employers and what is the record keeping requirement
- Family and Medical Leave Act of 1993 (FMLA) – what does this act require and who is covered
- Employee Retirement Income Security Act of 1974 (ERISA) – what does this act cover
- Workers' Compensation Laws – what is this law created to do, who is protected, who pays this tax

Human Resources System

- Know the hiring process described on page 1-14. Understand the basic documents collected during the hiring process and where they go
- Know what the payroll register is, what information it contains and how it is used
- Know what the employee earnings record is, what information it contains and how it is used

Chapter 2 Concepts

Fair Labor Standards Act (FLSA)

- Know the two types of coverage – enterprise and individual
- Understand when domestic workers must be paid minimum wage
- Know the current federal minimum wage
- Be able to list the 4 circumstances when an employer may pay less than minimum wage
- Know how tips affect minimum wage
- What is the standard workweek, what is the overtime rate, and when does it have to be paid
- Know what the Equal Pay Act requires
- Understand exempt versus non-exempt
- Know the basic restrictions on child labor (at what age are their restrictions on hours worked, at what age do all restrictions stop)
- Know what FLSA does not require (i.e. vacation pay, holiday pay, sick pay, etc.)
- Know what is considered work time and what activities are not compensated
- Understand the basics of time keeping – what is required, how to calculate hours worked on a time card, what does a company need to record

Gross Pay Calculations

- Be able to calculate regular hourly rate, overtime rate, and gross pay
- Understand how the calculation can vary depending on monthly, semimonthly, bi-weekly, or weekly wages
- There is no fluctuating workweek problem on the exam