

ACCT 100 – Class Assignment 5
 Chapters 9-11

PART I - Indicate the proper place for each of the following reconciling items by inserting the correct letter from the blank reconciliation form below on the next to the reconciling item.

Bank Reconciliation			
Bank Statement Balance	\$XX	Ledger Balance of Cash	\$XX
Additions:	A	Additions:	C
Deductions:	B	Deductions:	D
Adjusted Balance per Bank Statement	<u>\$XX</u>	Adjusted Ledger Balance of Cash	<u>\$XX</u>

1. A check printing charge from the bank.
2. Outstanding checks.
3. A deposit for \$138 listed on the bank statement as \$183 (bank's error).
4. A note collected by the bank on our behalf (wire transfer).
5. A check written for \$10, cleared by the bank for \$10, but recorded in the journal and checkbook as \$100.
6. A deposit in transit.
7. An NSF check received from one of our customers.
8. A check written for \$340, cleared by the bank for \$340, but recorded in our journal and checkbook as \$34.

Part II – Bank Reconciliation

The cash account for April Schauer Umbrella Co. on November 30, 2019, had a balance of \$16,325.95. The bank statement showed a balance of \$21,016.30 on November 30, 2019. Comparing the bank statement to the company records revealed the following reconciling items:

- a. Checks outstanding totaled \$5,169.75
- b. A deposit of \$4,189.40, representing receipts of November 30, had been made too late to appear on the bank statement.
- c. The bank had collected \$4,500 on a note left for collection. The face of the note was \$4,000.
- d. A check for \$2,850 returned with the statement had been incorrectly recorded by the company as \$2,580. The check was for the payment of an obligation to Keser Co. for the purchase of supplies on account.
- e. A check drawn for \$1,375 had been erroneously charged by the bank as \$1,735
- f. A check for \$135 received from a customer was returned by the bank for non-sufficient funds.
- g. The bank charged \$25 for service charges for November.

Prepare a bank reconciliation for April Schauer Umbrella Co. for November 30, 2019.

April Schauer
Bank Reconciliation
November 30, 2019

Balance per bank statement _____

Additions:

Deductions:

Adjusted balance _____

Balance per books _____

Additions:

Deductions:

Adjusted balance _____

General Journal

	DATE	DESCRIPTION	POST REF	DEBIT	CREDIT	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10

PART III – Calculate Gross Pay

Lisa Carr is paid entirely on commission of 6% on her annual sales. Her sales for the current year total \$785,000. What is Lisa Carr's gross pay for the year?

Crystal Ball earns \$13 per hour and receives time-and-a-half for all hours in excess of 40 per week. During the week Crystal worked 47 hours. What is her gross pay for the week?

Ella Vader earns \$60,000 per year. To meet a special project deadline, she has been authorized to receive time-and-a-half for all overtime hours worked to meet the end of month deadline. During the month Ella worked 20 hours of overtime. What is her gross pay for the month?

If Warren Peace earns a monthly salary of \$3,850 and is paid time-and-a-half for all hours worked over 40 per week, what would be his gross pay for the month if he worked 12 hours of overtime during the month?

Part IV – Payroll Journal Entries

The Payroll for the month of July 2019 for City-Wide Moving is as follows:

State Unemployment	5.4%	Social Security	6.2%
Federal Unemployment	.8%	Medicare	1.45%
Total Earnings		\$86,000	
State Unemployment Taxable Earnings		18,000	
Federal Unemployment Taxable Earnings		18,000	
Social Security Taxable Earnings		84,000	
Federal Income Tax Deduction		9,800	
Union Dues		1,560	
Medical Insurance		4,250	

Journalize the following entries:

Record the payroll for the month assuming the checks were written July 31, 2019.

	DATE	DESCRIPTION	POST REF	DEBIT	CREDIT	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9

Record the payroll tax expense for July 31, 2019.

	DATE	DESCRIPTION	POST REF	DEBIT	CREDIT	
1						1
2						2
3						3
4						4
5						5
6						6

Part V – True/False

9. Federal unemployment taxes are deducted from employee's earnings.
10. There is a limit on the amount of federal income taxes deducted from employee's earnings.
11. An employee's total earnings is called the gross pay.
12. An independent contractor is under the control and direction of the employer.
13. The Payroll Tax Expense account is used to record the federal income tax and Medicare tax deducted from the employee's earnings.
14. FICA taxes include Social Security taxes and Medicare taxes and are paid by both the employee and employer.

Part IV – Payroll Calculations

1. Ilene Wright is paid twice a month, on the 15th and last day of the month. Her total gross wages as of October 31, 2019, are \$104,680. For the pay period ending November 15, 2019, her gross wages are \$8,410. What is the amount of Social Security taxes deducted from her November 15 paycheck?

How much will be deducted for Medicare taxes from her Nov. 15 paycheck?

List the employee and employer payroll taxes? Which of the payroll taxes have a maximum?

Employee

Employer