

PAYCHECKS AND TAXES UNIT TEST BANK

	Total Points Earned
13	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Circle the correct answer for each question.

- 1.13.1 1. The most secure method for an employer to pay employees is to use:
- direct deposit
 - payroll card
 - printed paycheck
 - in-store credit
- 1.13.1 2. A pay period can be defined as a:
- monthly schedule of work responsibilities
 - schedule by which employers pay their employees
 - day that the pay check is delivered
 - length of working time that is actually taxed
- 1.13.1 3. The government uses money collected from taxes to:
- finance the Internal Revenue Service
 - encourage private enterprise
 - establish food networks
 - provide goods and services for the public
- 1.13.1 4. What is an employee required to complete when they begin a new job?
- Form W-2
 - Social Security form
 - Form W-4
 - All of the above
- 1.13.1 5. What form is used to verify an employee's eligibility?
- Form W-2
 - Form W-4
 - Form I-9
 - Medicare form
- 1.13.1 6. What form should an employer mail or make available by January 31 for employees to complete their annual tax paperwork?
- Form W-2 for the previous year
 - Form W-4 for the current year
 - Form I-9 for the previous year
 - Medicare form for the current year

- 1.13.1 7. Net income can be defined as the:
- total amount of money earned before deductions are taken out
 - length of time for which an employee's wages are calculated
 - actual amount of money received in the paycheck
 - total amount of deductions withheld from the paycheck
- 1.13.1 8. Two taxes that are included within the Federal Insurance Contribution Act (FICA) are:
- Federal and state income taxes
 - Social Security and Medicare
 - Social Security and 401K\
 - National health insurance and Employment tax
- 1.13.1 9. What does Medicare fund?
- The medical plan an employee receives from his/her employer
 - The nation's retirement program for the elderly
 - The nation's health care program for the elderly and disabled
 - Government agencies in each state which provide public assistance
- 1.13.1 10. A dependent is a person who:
- relies on the taxpayer for financial support
 - relies on the government for their Social Security benefit check
 - pays the taxes for all the members of the family
 - depends on their job for needed financial support to pay their expenses
- 1.13.1 11. A disadvantage of payroll cards is:
- lack of protection if the card is lost or stolen
 - ability to connect multiple cards to a single account
 - numerous fees that can be charged for using the payroll card
 - requirements to have a bank account in order to use the payroll card
- 1.13.1 12. The government agency responsible for collecting federal taxes is the:
- United States Congress
 - Social Security Office
 - Internal Revenue Service
 - The Justice System

Use the following scenario for questions 13 and 14.

Bob is working for a bank. He earns \$8.00 an hour, works 40 hours a week, and gets paid every 2 weeks. He pays \$63.08 into federal withholdings, \$33.21 into state withholdings, and \$42.05 into FICA.

- 1.13.1 13. What is Bob's gross pay on his paycheck?
- \$501.66
 - \$320.00
 - \$576.92
 - \$640.00

- 1.13.1 14. What is Bob's net pay on his paycheck?
- a. \$501.66
 - b. \$363.32
 - c. \$576.92
 - d. \$640.0

ANSWER KEY

Paychecks and Taxes Test Bank 1.13.0.C1:

1. a
2. b
3. d
4. c
5. c
6. a
7. c
8. b
9. c
10. a
11. a
12. c
13. d
14. a