

Reading Questions – Chapter 10 –Payroll

1. What are two reasons that companies are required to maintain detailed payroll information? _____
 1. _____
 2. _____

2. The payroll system must include all the pertinent input data (5 items) such as: _____

3. What is Gross Pay? _____

4. May Smith is an hourly employee and has logged 40 regular hours and 2.5 overtime hours. If her hourly rate is \$16.00 per hour and she get time-an-a-half for overtime, what is her Gross Pay? _____

5. Murray Jones is a piece work factory worker. He is paid \$0.50 for the first 500 pieces, \$0.60 for the next 250 pieces, and \$0.65 for each piece over 750 pieces completed. If Murray completes 900 pieces what will his Gross Pay be? _____

6. How is a Salary-Commission employee pay computed? _____

7. How is each employee’s income tax category (or Claim Code) determined? _____

8. Regarding employment insurance (EI), the employer is required to contribute an amount equal to _____ times that of the employee.

9. What document is used as the source document for recording a GJ Payroll entry? _____

10. What account holds the debit entry for recording the payroll expense? _____

11. How are employees typically paid? _____

12. How much Canada Pension Plan contributions must the employer make? _____

13. Who pays the total cost of Workers' Compensation coverage? Are all employees covered? _____

Do **Practice Exercise 1** on handout. Check your answer against the answer sheet shown in Moodle.

We will do **Practice Exercises 2-3** from the **Handout Materials**.

Exercise 3 is to be handed in for marking