

# Accountant APA-CPP

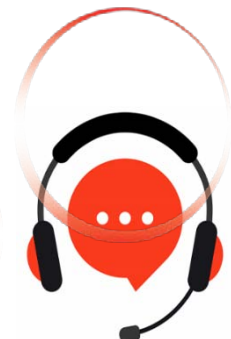
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# Latest Version: 6.1

## Question: 1

Determine the nonexempt employee's FLSA overtime premium pay for the bi-weekly pay period. The employee receives compensation of \$25 per hour.

	Week 1	Week 2
Sunday	8 hrs	0 hrs
Monday	0 hrs	8 hrs (SICK TIME)
Tuesday	10 hrs	8 hrs (SICK TIME)
Wednesday	10 hrs	10 hrs
Thursday	0 hrs	10 hrs
Friday	8 hrs	10 hrs
Saturday	8 hrs	0 hrs

- A. \$125
- B. \$50
- C. \$75
- D. \$0

**Answer: B**

Explanation:

Calculate the number of overtime eligible hours the employee works per week. In this example, the employee worked 44 hours in week one and 30 hours in week two. Sick leave, vacation leave, and other hours that are paid but not actually worked are not included in the FLSA overtime calculation. This employee will receive four hours at a premium rate of 1.5 times the hourly rate.

Example:

$$\$25.00 \div 2 = \$12.50$$

$$\$12.50 \times 4 \text{ hrs} = \$50.00$$

## Question: 2

Which of the following is a violation of the FLSA minimum wage requirement?

- A. A retired employee is rehired by the same company and works 15 hours per week with weekly earnings of \$215.00.
- B. A temporary employee works 45 hours in one week and is paid \$359.40.
- C. An administrative office employee earns an annual salary of \$35,468.00.
- D. During his first 90 days of employment, a 15-year-old employee works 14 hours per week and earns weekly wages of \$70.00.

**Answer: C**

Explanation:

According to the FLSA, an exempt employee must earn a minimum of \$684.00 per week to be classified as exempt from overtime. An exempt administrative employee earning \$35,468.00 annually would only receive a weekly salary of \$682.08. Employees earning a minimum of \$7.25 per hour are considered to have met the FLSA minimum wage requirement. An exception to this rule allows employees under the age of 20 to be paid a minimum wage of \$4.25 per hour, but only during their first 90 days of employment with a company. Keep in mind that, although the federal minimum wage is \$7.25 per hour, if an employee works in a state that offers a higher minimum rate, then the employee must be paid at the higher rate.

### Question: 3

When identifying the legal requirements for a data breach communication plan, what should be considered?

- A. The size of the affected population
- B. The location of the affected population
- C. How the breach occurred
- D. How long the data was exposed

**Answer: B**

Explanation:

All 50 states have specific regulations surrounding data protection, as does the European Union with the General Data Protection Regulation. Other countries may also have their own versions of regulations. Federally, only certain types of data or industries are regulated, so both the location and the specific data compromised determine the legal requirements for communication both publicly and individually.

### Question: 4

Claire is the CFO of a company, and she earns annual compensation of \$120,000. Based on the following information, calculate her semimonthly net pay. Use the included Publication 15-T, Percentage Method (2020 or later) to determine federal income tax.

Pay Type: Exempt

2023 Form W-4: Single or Married Filing Separately with no other entries (box in step two is NOT checked)

Section 125 deductions: \$130 to a Health Savings Account (HSA)

Charitable donation: \$50

YTD wages: \$85,000

- A. \$3,704.58
- B. \$3,764.52
- C. \$3,673.38

D. \$3,714.52

**Answer: D**

Explanation:

To get the employee's net pay, first determine the semimonthly gross wages. Section 125 deductions must be subtracted from the gross wages to determine tax withholding for both federal income tax and FICA tax. Follow the example below to determine the semimonthly net pay.

Example:

Semimonthly gross wages:  $\$120,000 \div 24 = \$5,000$

Taxable wages:  $\$5,000 - \$130 \text{ (HSA)} = \$4,870$

FIT withholding (determined using Publication 15-T, Percentage Method (2020 or later)): \$732.92

FICA withholding:  $\$4,870 \times 0.0765 = \$372.56$

Semimonthly net pay:  $\$4,870 - \$732.92 \text{ (FIT)} - \$372.56 \text{ (FICA)} - \$50 \text{ (charitable contribution)} = \$3,714.52$

### Question: 5

What aspects make a 409A nonqualified deferred compensation (NQDC) plan nonqualified?

- A. It does not follow 401 (k) rules.
- B. It is not qualified for special tax treatment.
- C. It is an unfunded plan with a promise to pay.
- D. It is established for executive level employees.

**Answer: A**

Explanation:

The main aspect of any nonqualified deferred compensation arrangement is that it does not meet the requirements of a qualified 401(k) plan.

The design of a 409A plan is specific and does allow certain tax treatments so long as the requirements are met, with substantial employee impact if the plan testing fails. Plans may be funded or unfunded and open to various levels of employees depending on the design and administration of the plan.

### Question: 6

Under the FLSA, what is the weekly pay for a nonexempt employee who is paid \$ 15 per hour and works 50 hours in the workweek?

- A. \$825
- B. \$750
- C. \$600
- D. \$375

**Answer: A**

Explanation:

The FLSA requires overtime pay to be at least 1.5 times the employee's regular rate of pay after 40 hours in a workweek. To calculate the nonexempt employee's gross wages, determine the amount paid at the employee's regular rate and the amount paid at the overtime rate. Add regular pay to overtime pay to get total gross pay.

Example:

$$1.5 \times \$15.00 = \$22.50 \text{ overtime rate}$$

$$40 \text{ hrs} \times \$15.00 = \$600.00$$

$$10 \text{ hrs} \times \$22.50 = \$225.00$$

$$\$600 + \$225 = \$825.00$$

### Question: 7

When developing a disaster recovery plan, which of the following is crucial in the event of an emergency affecting business operations and payroll?

- A. Hiring extra staff to be on hand to answer questions from staff and customers
- B. Ensuring there is enough blank check stock to manually pay employees
- C. Establishing an agreement with a compatible, offsite location where operations can resume
- D. Ensuring all managers have a written policy and procedure manual

**Answer: C**

Explanation:

The goal of a disaster recovery plan is to ensure companies can perform key functions during an emergency. These plans are put into place to give businesses a course of action should a crisis occur. One of the most important aspects of these plans is making agreement(s) with other similar businesses where critical operations can resume until the emergency has subsided.

### Question: 8

Which of the following workers may be exempt from overtime and minimum wage requirements?

- A. A plumber earning a salary of \$120,000 each year
- B. A salesperson who conducts most sales over the internet from the office
- C. An IT worker making \$28.00 per hour
- D. A police officer making \$40,000 annually

**Answer: C**

Explanation:

Computer professionals making more than \$27.63 per hour may be exempt from overtime and minimum wage requirements provided their duties meet certain criteria. Blue collar workers

and police officers do not qualify as exempt, no matter how high their pay, and outside salespeople qualify for an exemption only if a majority of their sales time is away from the office.

### Question: 9

As a new manager, manager L will be conducting the first interview for an open position on the team. What interview strategy would give her the greatest understanding of the candidates' abilities?

- A. Manager L can study the resumes and plan detailed questions about prior experience.
- B. Manager L can review the job descriptions and plan open-ended questions about goals and experience.
- C. Manager L can plan a less formal informational interview to ensure a personality fit with the team.
- D. Manager L can ensure she is detailed and clear about the job requirements and ask specific questions related to outcomes.

**Answer: B**

Explanation:

Open-ended questions related to the desired skills for the open position allow candidates to showcase relevant experience and future goals while interviewers assess communication skills, confidence, and understanding of the role. In an interview situation, it is important to do more listening than talking if on the hiring team. Focusing on only the specifics of the job and how the candidate responds to scenarios already known to the team can also lead away from an understanding of what the candidate knows from other environments. Interviews tailored to the candidate's resume may not lead to a deep understanding of how the experience fits within the current role and may not point out gaps in knowledge. Less formal interview structures can be risky for managers as some general conversations may bring up topics not related to the position. Interview topics should always remain job and position related.

### Question: 10

Batch processing procedures can help ensure which of the following outcomes when loading files into the payroll system, transferring data from one system to another, or manually entering the data?

- A. The pay codes are valid.
- B. The data has been entered correctly.
- C. The payroll calculations will be appropriate.
- D. The totals in the system match totals of data.

**Answer: D**

Explanation:

Batch processing procedures are a first-level audit and assist with the review and sign-off of the final payroll. By grouping data and assigning totals, batch processing procedures provide the assurance that the source documentation values match the input and provide assistance in all

downstream reviews.

Batch processing cannot ensure that the data has been entered correctly. Batch processing would not show if an employee ID was input incorrectly or if transpositions occurred that ultimately balanced each other out. It also cannot ensure that the calculations will happen correctly, or that the correct pay code for proper taxation was used. Additional downstream reviews would be in place for appropriateness.

### Question: 11

Which of the following statements about accounting periods is true?

- A. An accounting period should run concurrent with the calendar year.
- B. Accounting periods cannot be modified until the current period has closed.
- C. Small businesses do not need to operate within an accounting period.
- D. Companies may utilize an accounting period of six months.

**Answer: D**

Explanation:

An accounting period is defined as any timeframe covered by a company's financial statements. Companies often choose to use accounting periods covering a span of 12 months; however, accounting periods can also be weekly, monthly, quarterly, bi-annually, or any other specified time period.

An accounting period of 12 months can run concurrent with the calendar year, but it can also utilize a fiscal year. Regarding the modification of accounting periods mid-period, this can be done by filing a return with the IRS for a short tax period and may be necessary for reasons such as business closures or acquisitions. Lastly, small business should also be recording, auditing, and reporting transactions within an established accounting period.

### Question: 12

Employee A has earned \$3,000 as commission for the current quarter. Employee A has elected 4% for his Roth 401(k) and has a student loan with a balance of \$7,562 still remaining. What are the total deductions from this payment, including taxes, assuming no taxation limits will be met and the resident state has a 5% supplemental tax rate?

- A. \$1,426.04
- B. \$1,453.58
- C. \$1,573.96
- D. \$1,609.50

**Answer: B**

Explanation:

Roth 401 (k) is an after-tax deduction, and the student loan garnishment is calculated as 15% of disposable earnings, meaning the amount left after deductions mandated by law (taxes in this example).

Commission: \$3,000

Roth 401(k): \$120 ( $3,000 \times 0.04$ )

Fed Tax: \$660 ( $3,000 \times 0.22$ )

Soc Sec Tax: \$186 ( $3,000 \times 0.062$ )

Medicare Tax: \$43.50 ( $3,000 \times 0.0145$ )

State Tax: \$150 ( $3,000 \times 0.05$ )

Student Loan: \$294.08 ( $3,000 - 660 - 186 - 43.50 - 150 = 1,960.50$

$1,960.50 \times 0.15 = 294.08$ )

Total Deductions:  $294.08 + 120 + 660 + 186 + 43.50 + 150 = \$1,453.58$

### Question: 13

Which of the following circumstances is LEAST likely to be considered a violation under the Equal Employment Opportunity Commission (EEOC)?

- A. Jake feels increasingly uncomfortable because his manager frequently makes derogatory jokes regarding another employee's physical appearance. He used to go along with it, but he has begun to feel bad after working with this particular employee.
- B. Debbie submits a request to her manager to work remotely due to mental health reasons. The company denies her request for a fully remote arrangement but offers to work with her on establishing a hybrid schedule or flexible working hours. Debbie wants to work remotely and is unhappy with the alternatives offered.
- C. Michael reported his manager to the HR department for making inappropriate remarks about a female coworker. Since his complaint to HR, his manager's attitude toward him has changed, and some of his shifts were given to other staff. Michael feels he is being treated differently because he complained.
- D. Kristen submitted a job application for an internal position at her company, for which she was highly qualified. The position was given to a less experienced, outside candidate. Kristen believes she did not get this position because she is deaf and requires accommodations.

**Answer: B**

Explanation:

The Equal Employment Opportunity Commission (EEOC) is responsible for enforcing laws that make it illegal for employers to discriminate based on a potential or current employee's race, color, religion, sex, ethnicity, age (over 40), or disability. Investigating valid complaints helps to protect applicants and employees from unfair treatment based on these factors, as well as from harassment, lack of workplace accommodations, and retaliatory behavior.

In the examples given in this question, Jake is made to feel uncomfortable based on derogatory remarks made by his manager, which could be considered harassment. For Michael, it seems his manager was acting in retaliation after Michael's complaint to HR. In Kristen's situation, she was passed over for a position with her company even though she was highly qualified, and she feels



this was based on her disability. Based on the information provided, these are more likely to be EEOC violations. Debbie's circumstance is different in that the company did not honor the original request, but offered to work with her on creating an alternate solution that would benefit both the employee and the company. Based on the information provided, this is least likely to be considered a violation.

### Question: 14

Manager Q has a small team of four employees and is worried about the impact of employee performance evaluations if anyone is unhappy with the results. How can manager Q best manage the performance process?

- A. Rate all employees as objectively as possible by category, ending in similar overall ratings.
- B. Rate the employees as objectively as possible in comparison with each other following the natural hierarchy of the group.
- C. Rate each employee independently, providing feedback and actionable growth opportunities.
- D. Reward star performers and hard workers on the team to incentivize everyone to meet goals.

**Answer: C**

Explanation:

Performance evaluations are meant to provide feedback on an individualized basis as measured against achievable and agreed-upon milestones. They are a point-in-time formalization of communication that should be ongoing; performance evaluation results should never be a surprise to any member of the team. Ensuring each employee is measured by his or her own performance metrics, even if group goals have not been met, is a fundamental aspect of the process. It will erode trust if employees feel everyone is even or that they are measured based on criteria they do not control, such as others' performance.

Employees are individuals. Rewards and recognition will look different to each of them, but feedback and solid communication will allow a manager to best interact and encourage successful outcomes even in a small team.

### Question: 15

A tipped employee making \$2.13 per hour works 38 hours for the work week. The employee also received \$200 in cash tips. Would the employer have to use a tip credit in this scenario?

- A. Yes, the employer would have to use a tip credit for \$5.12.
- B. No, the employee earned \$7.40 per hour.
- C. Yes, the employer would have to use a tip credit for \$7.25.
- D. No, the employee earned \$5.12 per hour.

**Answer: B**

Explanation:

The federal minimum wage is \$7.25. An employee making \$2.13 an hour would receive a

maximum tip credit of \$5.12 to bring them to a total hourly rate of \$7.25, assuming no tips received. Since this employee received \$200 in tips for the work week, the following calculations will determine their hourly rate.

First,  $(\$2.13 \times 38) + \$200 = \$280.94$  total earned in the week

Then,  $\$280.94 \div 38 = \$7.39$  per hour.

Since this is above minimum wage, no tip credit is needed.

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