

# Answers to Study Guide Questions

## CHAPTER 8

### PART 1 True/False

- |      |       |
|------|-------|
| 1. T | 6. F  |
| 2. F | 7. T  |
| 3. F | 8. F  |
| 4. F | 9. T  |
| 5. T | 10. F |

### PART 2 Completion—Language of Business

1. gross pay
2. employee
3. exemption
4. net pay
5. independent contractor
6. employee's individual earnings record

### PART 3 Calculation of Earnings

Employee's Name	Hours Worked	Regular Hourly Rate	Total Earnings
A. L. Gonzales	42	\$ 9.60	\$412.80
L. A. Lamar	46	8.40	411.60
C. W. Nelson	51	10.20	576.30

### PART 4 Payroll Entry

GENERAL JOURNAL

PAGE 79

	DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1	20—					1
2	Mar. 14	<i>Sales Salary Expense</i>		72,000.00		2
3		<i>Office Salary Expense</i>		21,640.00		3
4		<i>Employees' Federal Income Tax Payable</i>			9,300.00	4
5		<i>FICA Tax Payable</i>			7,163.46	5
6		<i>Employees' Bond Deductions Payable</i>			900.00	6
7		<i>Employees' Union Dues Payable</i>			1,200.00	7
8		<i>Employees' Medical Insurance Payable</i>			2,000.00	8
9		<i>Salaries Payable</i>			73,076.54	9
10		<i>To record payroll for the week</i>				10
11		<i>ended March 14.</i>				11
12						12