

2018 FPC/ CPP EXAM PREPARATION TRAINING

ANSWERS

TEST 3: (Covers Material from Chapters 11-14 in The Payroll Source)

1. **b.** Hardship premium
2. **a.** Company-matched Social Security tax paid to IRS
3. **b.** Matching
4. **d.** Accounts payable
5. **c.** Cost-of-living allowance
6. **b.** A company may designate its fiscal year to cover 12 months that differ from the calendar year
7. **a.** Parallel test
8. **c.** Cross-functional quality improvement teams
9. **c.** Tenacity
10. **b.** 330 days
11. **a.** Debit accounts receivable, credit cash
12. **d.** Human resources recommends a change in company policy and change is approved by upper management
13. **b.** Non Resident alien working in the U.S.
14. **b.** Debit assets and credit liabilities
15. **d.** Current liabilities
16. **c.** Bureaucratic leadership
17. **b.** Debit salary expense, credit federal income tax withheld
18. **c.** Parallel testing
19. **b.** Controllers
20. **b.** A company's description of its structure, requirements, and expectations of a new system prepared for the vendor
21. **b.** 16%
22. **b.** Posting
23. **d.** Treasury Decision
24. **a.** Prevents double taxation for Social Security
25. **c.** Accountability
26. **b.** Debit tax expense, credit tax payable

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- 27. b. Theory X
- 28. d. U.S. resident working for a foreign employer outside the United States
- 29. b. Tax protection
- 30. d. They are subject to U.S. taxation on their pay for the time in and out of the country
- 31. c. Debit salary expense, credit salary payable
- 32. c. Balance sheet
- 33. b. Control environment
- 34. b. Form 8233
- 35. d. Delegating
- 36. d. Income statement
- 37. b. Third-country national
- 38. a. Provides for safety of employee while working abroad
- 39. a. 1042-S
- 40. a. \$25 favorable