

Chapter 2: Computing Wages and Salaries: 2-5h Continuing Payroll Problem • A

Book Title: Payroll Accounting, 2020

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Chapter Review

2-5h Continuing Payroll Problem • A

In the Continuing Payroll Problem A, presented at the end of succeeding chapters, you will gain experience in computing wages and salaries and preparing a payroll register for Kipley Company, Inc., a newly formed corporation. At the end of subsequent chapters, information will be presented so that the payroll register can be completed step by step as you proceed through the discussion material relating to that particular section of the payroll register.

Kipley Company is a small manufacturing firm located in Pittsburgh, Pennsylvania. The company has a workforce of both hourly and salaried employees. Each employee is paid for hours actually worked during each week, with the time worked being recorded in quarter-hour increments. The standard workweek consists of 40 hours, with all employees being paid time and one-half for any hours worked beyond the 40 regular hours.

Wages are paid every Friday, with one week's pay being held back by the company. Thus, the first payday for Kipley Company is January 14 for the workweek ending January 8 (Saturday).

The information below will be used in preparing the payroll for the pay period ending January 8, 20--.

Time Card No.	Employee Name	Hourly Wage or Salary
11	Fran M. Carson	\$ 17.50 per hour
12	William A. Wilson	17.25 per hour
13	Harry T. Utley	18.10 per hour
21	Lawrence R. Fife	17.90 per hour
22	Lucy K. Smith	19.75 per hour
31	Gretchen R. Fay	515 per week
32	Glenda B. Robey	2,700 per month
33	Thomas K. Schork	3,350 per month
51	Barbara T. Hardy	2,510 per month

99

Carson C. Kipley

52,000 per year

Ms. Glenda B. Robey prepares the time clerk's report for each pay period. Her report for the first week of operations is given below.

TIME CLERK'S REPORT NO. 1									
For Period Ending January 8, 20--									
	Employee	Time Record						Time Worked*	Time Lost
		M	T	W	T	F	S		
11	Fran M. Carson	8	8	8	8	8	—	40	2 1/2 hrs. Lardy
12	William A. Wilson	8	8	8	8	8	8	48	
13	Harry T. Utley	8	5 1/2	8	8	8	—	37 1/2	
21	Lawrence R. Fife	10	10	8	8	10	—	46	
22	Lucy K. Smith	8	8	8	8	8	—	40	
31	Gretchen R. Fay	8	8	8	8	8	1 1/4	41 1/4	
32	Glenda B. Robey	8	8	8	8	8	—	40	
33	Thomas K. Schork	8	8	8	8	8	—	40	
51	Barbara T. Hardy	8	8	8	8	8	4	44	
99	Carson C. Kipley	8	8	8	8	8	—	40	

*All employees, except for Carson Kipley, are paid for hours worked beyond 40 at one and one-half times their regular hourly rate of pay.

Using the payroll register for Kipley Company, which is reproduced on a fold-out at the back of the book (PR-1), proceed as follows:

1. Enter each employee's time card number and name in the appropriate columns.
2. Record the regular hours and the overtime hours worked for each employee, using the time clerk's report as your reference.
3. Complete the Regular Earnings columns (Rate per Hour and Amount) and the Overtime Earnings columns (Rate per Hour and Amount) for each hourly employee. For salaried workers, complete the Regular Earnings column and show the hourly overtime rate and earnings only if overtime was worked.
4. Record the Total Earnings for each employee by adding the Regular Earnings and the Overtime Earnings.

Note: Retain your partially completed payroll register for use at the end of [Chapter 3](#).

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