

Accounting Services

Study Guide

Assessments:

0001 Accounts Payable Clerk

0002 Accounts Receivable Clerk

0003 Full-Charge Bookkeeper

0004 Payroll Clerk

Endorsed by the American
Institute of Professional
Bookkeepers



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Overview

This study guide is designed to help students prepare for the following Accounting Services assessments: Payroll Clerk, Accounts Payable Clerk, Accounts Receivable Clerk, and Full Charge Bookkeeper. It includes information about the assessments, the skills standards upon which the assessments are based and test taking strategies.

Each of the four sections in this guide provides useful information for students preparing for any of the Accounting Services assessments.

- CareerTech and Competency-Based Education: A Winning Combination
- Accounting Services assessments
 - ▶ Assessment Information
 - ▶ Standards and Test Content
 - ▶ Sample Questions
 - ▶ Abbreviations, Symbols, and Acronyms
- Strategies for Test Taking Success
- Notes

These assessments were developed by the CareerTech Testing Center and the Accounts Payable Clerk, Accounts Receivable Clerk, and Full Charge Bookkeeper assessments were then endorsed by the American Institute of Professional Bookkeepers (AIPB). AIPB was established in 1987 to deliver high-quality bookkeeping and accounting education and certification (Certified Bookkeeper) for professional bookkeepers.

The Payroll Clerk, Accounts Payable Clerk, Accounts Receivable Clerk, and Full Charge Bookkeeper assessments measure a student's ability to apply the knowledge and skills necessary for success in the bookkeeping sector.

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CareerTech and Competency-Based Education: A Winning Combination

Competency-based education uses learning outcomes that emphasize both the application and creation of knowledge and the mastery of skills critical for success. In a competency-based education system, students advance upon mastery of competencies, which are measurable, transferable outcomes that empower students.

Career and technology education uses industry professionals and certification standards to identify the knowledge and skills needed to master an occupation. This input provides the foundation for development of curriculum, assessments and other instructional materials needed to prepare students for wealth-generating occupations and produce comprehensively trained, highly skilled employees demanded by the work force.

Tools for Success

CareerTech education relies on three basic instructional components to deliver competency-based instruction: skills standards, curriculum materials, and competency assessments.

Skills standards provide the foundation for competency-based instruction and outline the knowledge and skills that must be mastered in order to perform related jobs within an industry. Skills standards are aligned with national skills standards and/or industry certification requirements; therefore, a student trained to the skills standards is equally employable in local, state and national job markets.

Curriculum materials and textbooks contain information and activities that teach students the knowledge and skills outlined in the skills standards. In addition to complementing classroom instruction, curriculum resources include supplemental activities that enhance learning by providing opportunities to apply knowledge and demonstrate skills.

Certification Assessments test the student over material outlined in the skills standards and taught using the curriculum materials and textbooks. When used with classroom performance evaluations, certification assessments provide a means of measuring occupational readiness.

Each of these components satisfies a unique purpose in competency-based education and reinforces the knowledge and skills students need to gain employment and succeed on the job.

Measuring Success

Evaluation is an important component of competency-based education. Pre-training assessments measure the student's existing knowledge prior to receiving instruction and ensure the student's training builds upon this knowledge base. Formative assessments administered throughout the training process provide a means of continuously monitoring the student's progress towards mastery.

Certification assessments provide a means of evaluating the student's mastery of knowledge and skills. Coaching reports communicate assessment scores to students and provide a breakdown of assessment results by standard area. The coaching report also shows how well the student has mastered skills needed to perform major job functions and identifies areas of job responsibility that may require additional instruction and/or training.

Accounting Services Assessment Information

What are the Accounting Services assessments?

The Payroll Clerk, Accounts Payable Clerk, Accounts Receivable Clerk, and Full Charge Bookkeeper assessments are end-of-program assessments for students in Accounting Services education programs. The assessments provide an indication of student mastery of knowledge and concepts necessary for success in careers in these areas.

How were the assessments developed?

The assessments were developed by the CareerTech Testing Center. The assessments and standards are endorsed by the American Institute of Professional Bookkeepers Association. Items were developed and reviewed by a committee of subject matter experts.

Frequency: represents how often the task is performed on the job. Frequency rating scales vary for different occupations. The rating scale used in this publication is presented below:

1 = less than once a week 2 = at least once a week 3 = once or more a day

Criticality: denotes the level of consequence associated with performing a task incorrectly. The rating scale used in this publication is presented below:

1 = slight 2 = moderate 3 = extreme

What do the assessments cover?

Specifically, the tests include multiple-choice test items over the following areas:

Payroll Clerk – 55 questions

Create and Maintain Accounting Files and Records (Electronic and Physical) 25%
Maintain and Update Payroll Records 75%

Accounts Payable Clerk – 55 questions

Create and Maintain Accounting Files and Records (Electronic and Physical) 31%
Maintain Accounts Payable 69%

Accounts Receivable Clerk – 55 questions

Create and Maintain Accounting Files and Records (Electronic and Physical) 31%
Perform Billing and Data Entry 24%
Maintain Accounts Receivable 45%

Full Charge Bookkeeper Assessment – 55 questions

Create and Maintain Accounting Files and Records (Electronic and Physical) 9%

Perform Billing and Data Entry 13%

Maintain Accounts Payable 7%

Maintain Accounts Receivable 5%

Maintain and Update Payroll Records 20%

Maintain Inventory Control 13%

Maintain General Ledger 24%

Produce and Interpret Financial Statements 9%

What are the benefits of using these assessments?

Students receive a certificate for each assessment that he/she passes. This certificate may be included in his/her portfolio and used to communicate the student's mastery of the subject matter to potential employers.

When should the assessment be taken?

The CareerTech Testing Center recommends that students take these assessments as soon as possible after receiving all standards-related instruction, rather than waiting until the end of the school year.

Is the assessment timed?


No. Although students may take as long as they need, most students finish an assessment within one hour.

What resources can students use on these assessments?

Students are allowed to use calculators and scratch paper on CTTC assessments; however, these items must be provided by the testing proctor and returned to the proctor before the student's exam is submitted for scoring. Calculator apps on cell phones and other devices may not be used on these assessments.

What accommodations can be made for students with Individualized Education Plans (IEPs)?

Accommodations are allowed for students with an Individualized Education Plan. Examples of allowable accommodations include:

- Extended time — This assessment is not timed; therefore, students may take as much time as needed to finish. The assessment must be completed in one testing session.
- Readers — A reader may be used to read the assessment to a student who has been identified as needing this accommodation.
- Enlarged text — Students needing this accommodation can activate this feature by clicking the  icon in the upper right corner of the screen.

What can students expect on Test Day?

All CTTC assessments are web-based and delivered exclusively by a proctor in the school's assessment center. The proctor **cannot** be an instructor or anyone who was involved with the students during instruction.

Assessments are delivered in a question-by-question format. When a question is presented, the student can select a response or leave the question unanswered and advance to the next question. Students may also flag questions to revisit before the test is scored. All questions must be answered before the test can be submitted for scoring.

After the assessment is scored, the student will receive a score report that not only shows the student's score on the assessment, but also how the student performed in each standard area.

Can students retake the test?

Students may retake the test unless their school or state testing policies prohibit retesting. Students who can retest must wait at least three days between test attempts.



Standards and Test Content

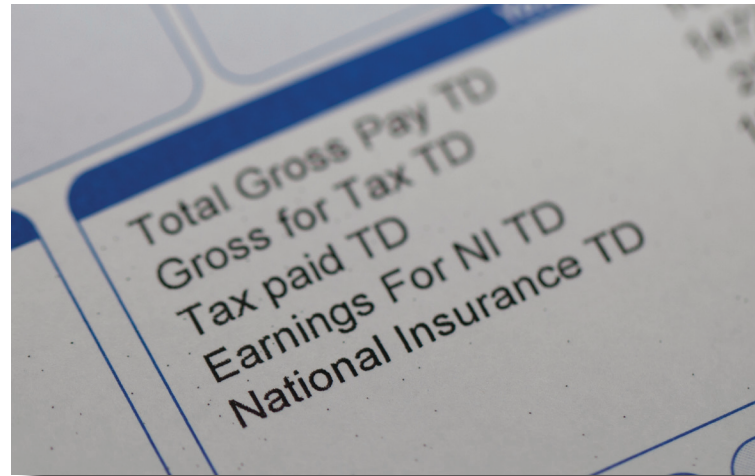
Payroll Clerk

Create and Maintain Accounting Files and Records (Electronic and Physical) (14 questions)

1. Create and maintain filing systems **(3/3)**
2. Retrieve and replace files **(3/3)**
3. Maintain security and confidentiality **(3/3)**
4. Verify data **(3/3)**

Maintain and Update Payroll Records (41 questions)

1. Set up and maintain employee records **(3/3)**
2. Review employment laws and changes **(1/3)**
3. Compile employee time, production, and payroll data from time sheets and other data **(3/3)**
4. Calculate payroll deductions and employer taxes **(2/3)**
5. Verify data **(3/3)**
6. Generate payroll register **(2/3)**
7. Generate payroll checks **(2/3)**
8. Transfer necessary funds **(2/3)**
9. Generate employee earnings records **(2/3)**
10. Generate deposits, payroll tax reports, and pay tax liabilities (local, state, federal) **(1/3)**



Standards and Test Content Accounts Payable Clerk

Create and Maintain Accounting Files and Records (Electronic and Physical) (17 questions)

1. Create and maintain filing systems **(3/3)**
2. Retrieve and replace files **(3/3)**
3. Maintain security and confidentiality **(3/3)**
4. Verify data **(3/3)**

Maintain Accounts Payable (38 questions)

1. Communicate with vendors **(3/3)**
2. Set up and maintain vendor information **(2/3)**
3. Record purchases and other payables **(3/3)**
4. Generate reports **(1/3)**
5. Issue payments/electronic fund disbursements **(2/3)**



Standards and Test Content

Accounts Receivable Clerk

Create and Maintain Accounting Files and Records (Electronic and Physical) (17 questions)

1. Create and maintain filing systems **(3/3)**
2. Retrieve and replace files **(3/3)**
3. Maintain security and confidentiality **(3/3)**
4. Verify data **(3/3)**

Perform Billing and Data Entry (13 questions)

1. Receive and interpret shipping and/or sales information **(3/3)**
2. Perform data entry **(3/3)**
3. Prepare and verify invoices **(3/3)**
4. Post and send invoices **(3/3)**
5. Generate reports **(1/3)**

Maintain Accounts Receivable (25 questions)

1. Communicate with customers **(3/3)**
2. Set up and maintain customer information **(3/3)**
3. Record sales and receipts/electronic fund transfer **(3/3)**
4. Generate reports **(1/3)**
5. Prepare sales tax report **(1/3)**
6. Prepare monthly statements **(1/3)**



Standards and Test Content

Full Charge Bookkeeper

Create and Maintain Accounting Files and Records (Electronic and Physical) (5 questions)

1. Create and maintain filing systems (3/3)
2. Retrieve and replace files (3/3)
3. Maintain security and confidentiality (3/3)
4. Verify data (3/3)

Perform Billing and Data Entry (7 questions)

1. Receive and interpret shipping and/or sales information (3/3)
2. Perform data entry (3/3)
3. Prepare and verify invoices (3/3)
4. Post and send invoices (3/3)
5. Generate reports (1/3)

Maintain Accounts Payable (4 questions)

1. Communicate with vendors (3/3)
2. Set up and maintain vendor information (2/3)
3. Record purchases and other payables (3/3)
4. Generate reports (1/3)
5. Issue payments/electronic fund disbursements (2/3)

Maintain Accounts Receivable (3 questions)

1. Communicate with customers (3/3)
2. Set up and maintain customer information (3/3)
3. Record sales and receipts/electronic fund transfer (3/3)
4. Generate reports (1/3)
5. Prepare sales tax report (1/3)
6. Prepare monthly statements (1/3)



Maintain Payroll (11 questions)

1. Set up and maintain employee records **(3/3)**
2. Review employment laws and changes **(1/3)**
3. Compile employee time, production and payroll data from time sheets and other data **(3/3)**
4. Calculate payroll deductions and employer taxes **(2/3)**
5. Verify data **(3/3)**
6. Generate payroll register **(2/3)**
7. Generate payroll checks **(2/3)**
8. Transfer necessary funds **(2/3)**
9. Generate employee earnings records **(2/3)**
10. Generate deposits, payroll tax reports, and pay liabilities (local, state, federal) **(1/3)**

Maintain Inventory Control (7 Questions)

1. Record inventory receipts **(3/3)**
2. Record inventory disbursements **(3/3)**
3. Update inventory-on-hand items **(1/3)**
4. Compare/report physical inventory with book inventory **(1/3)**
5. Generate inventory reports **(1/3)**

Maintain General Ledger (13 Questions)

1. Set up and maintain chart of accounts **(3/3)**
2. Analyze and journalize transactions **(3/3)**
3. Maintain checkbook balance **(3/3)**
4. Prepare bank reconciliations **(1/3)**
5. Generate trial balance **(1/3)**
6. Compare subsidiary schedules to the general ledger **(1/3)**
7. Prepare end of period adjusting/closing entries **(1/3)**
8. Generate post-closing trial balance **(1/3)**



Produce and Interpret Financial statements (5 questions)

1. Generate financial statements and supporting documents **(1/3)**
2. Analyze and interpret financial statements **(1/3)**
3. Communicate results with management/owner(s) **(2/3)**

Sample Questions

- _____ 1. Merchandise is sold on credit for \$700.00 plus 9% sales tax. The journal entry for this transaction includes a:
- a. credit to Sales Tax Expense for \$63.00.
 - b. credit to Sales Tax Payable for \$63.00.
 - c. debit to Sales Tax Expense for \$63.00.
 - d. debit to Sales Tax Payable for \$63.00.
- _____ 2. According to company policy, the payroll accounting clerk computes an hourly employee's time and wages to the nearest quarter hour. If an employee works 46.25 hours in the workweek and is paid \$10.00 per hour, what is the amount of gross pay due to this employee?
- a. \$460.00
 - b. \$462.50
 - c. \$490.00
 - d. \$493.75
- _____ 3. Taylor, Inc. sells automotive parts to retailers. Taylor recently purchased oil filters costing \$32,115.00 on credit. What journal entry records this purchase?
- a. Debit Accounts Payable for \$32,115.00
Credit Purchases for \$32,115.00
 - b. Debit Accounts Receivable for \$32,115.00
Credit Cash for \$32,115.00
 - c. Debit Purchases for \$32,115.00
Credit Accounts Payable for \$32,115.00
 - d. Debit Purchases for \$32,115.00
Credit Accounts Receivable for \$32,115.00
- _____ 4. An inventory may be reported at less than cost if it:
- a. contributes to gross profit.
 - b. deteriorates or becomes obsolete.
 - c. is a loss leader.
 - d. shows promise of subsequent sales.

- _____ 5. Jones Incorporated bought a delivery truck for \$45,000.00 and made a cash down payment of \$4,500.00. The journal entry to record this transaction is:
- a. Debit Delivery Equipment for \$45,000.00
Credit Cash for \$4,500.00
Credit Accounts Receivable for \$40,500.00
 - b. Debit Accounts Payable for \$40,500.00
Debit Cash for \$4,500.00
Credit Delivery Equipment for \$45,000.00
 - c. Debit Delivery Equipment for \$45,000.00
Credit Cash for \$4,500.00
Credit Accounts Payable for \$40,500.00
 - d. Debit Cash for \$4,500.00
Debit Accounts Receivable for \$40,500.00
Credit Delivery Equipment for \$45,000.00
- _____ 6. When preparing financial statements, revenue accounts and cost and expense accounts appear on the:
- a. classified balance sheet.
 - b. classified income statement.
 - c. ending merchandise inventory.
 - d. statement of owner's equity.
- _____ 7. Giant Corporation purchases merchandise for \$2,250.00, terms 2/10, net 30. The date of the invoice is May 31st and payment is made on June 8th. The amount of the cash discount recorded is:
- a. \$0.00.
 - b. \$45.00.
 - c. \$450.00.
 - d. \$2,205.00.
- _____ 8. ABC Company pays \$2,100.00 for local television advertising. What is the journal entry?
- a. Debit Advertising Expense \$2,100.00
Credit Cash \$2,100.00
 - b. Debit Accounts Payable \$2,100.00
Credit Advertising Expense \$2,100.00
 - c. Debit Advertising Expense \$2,100.00
Credit Accounts Payable \$2,100.00
 - d. Debit Cash \$2,100.00
Credit Advertising Expense \$2,100.00

- _____ 9. If a business has liabilities of \$25,000.00 and owner's equity of \$17,500.00, the value of its assets is:
- a. \$7,500.00.
 - b. \$17,500.00.
 - c. \$25,000.00.
 - d. \$42,500.00.
- _____ 10. Wilson Department Stores purchased 500 sweaters at \$20.00 each. Fifty of the sweaters were defective and returned (payment was not made prior to the return). What journal entry would Wilson make to record the return?
- a. Debit Accounts Payable \$1,000.00
Credit Purchase Returns \$1,000.00
 - b. Debit Accounts Receivable \$1,000.00
Credit Purchase Returns \$1,000.00
 - c. Debit Purchase Returns \$1,000.00
Credit Accounts Payable \$1,000.00
 - d. Debit Accounts Receivable \$1,000.00
Credit Purchases \$1,000.00



Sample Questions — Key

1. Merchandise is sold on credit for \$700.00 plus 9% sales tax. The journal entry for this transaction includes a:
- a. credit to Sales Tax Expense for \$63.00. Wrong, but plausible
 - b. credit to Sales Tax Payable for \$63.00. Correct
 - c. debit to Sales Tax Expense for \$63.00. Wrong, but plausible
 - d. debit to Sales Tax Payable for \$63.00. Wrong, but plausible
2. According to company policy, the payroll accounting clerk computes an hourly employee's time and wages to the nearest quarter hour. If an employee works 46.25 hours in the workweek and is paid \$10.00 per hour, what is the amount of gross pay due to this employee?
- a. \$460.00 Wrong, but plausible
 - b. \$462.50 Wrong, but plausible
 - c. \$490.00 Wrong, but plausible
 - d. \$493.75 Correct
3. Taylor, Inc. sells automotive parts to retailers. Taylor recently purchased oil filters costing \$32,115.00 on credit. What journal entry records this purchase?
- a. Debit Accounts Payable for \$32,115.00
Credit Purchases for \$32,115.00 Wrong, but plausible
 - b. Debit Accounts Receivable for \$32,115.00
Credit Cash for \$32,115.00 Wrong, but plausible
 - c. Debit Purchases for \$32,115.00
Credit Accounts Payable for \$32,115.00 Correct
 - d. Debit Purchases for \$32,115.00
Credit Accounts Receivable for \$32,115.00 Wrong, but plausible
4. An inventory may be reported at less than cost if it:
- a. contributes to gross profit. Wrong, but plausible
 - b. deteriorates or becomes obsolete. Correct
 - c. is a loss leader. Wrong, but plausible
 - d. shows promise of subsequent sales. Wrong, but plausible

5. Jones Incorporated bought a delivery truck for \$45,000.00 and made a cash down payment of \$4,500.00. The journal entry to record this transaction is:
- a. Debit Delivery Equipment for \$45,000.00
Credit Cash for \$4,500.00
Credit Accounts Receivable for \$40,500.00 Wrong, but plausible
 - b. Debit Accounts Payable for \$40,500.00
Debit Cash for \$4,500.00
Credit Delivery Equipment for \$45,000.00 Wrong, but plausible
 - c. Debit Delivery Equipment for \$45,000.00
Credit Cash for \$4,500.00
Credit Accounts Payable for \$40,500.00 Correct
 - d. Debit Cash for \$4,500.00
Debit Accounts Receivable for \$40,500.00
Credit Delivery Equipment for \$45,000.00 Wrong, but plausible
6. When preparing financial statements, revenue accounts and cost and expense accounts appear on the:
- a. classified balance sheet. Wrong, but plausible
 - b. classified income statement. Correct
 - c. ending merchandise inventory. Wrong, but plausible
 - d. statement of owner's equity. Wrong, but plausible
7. Giant Corporation purchases merchandise for \$2,250.00, terms 2/10, net 30. The date of the invoice is May 31st and payment is made on June 8th. The amount of the cash discount recorded is:
- a. \$0.00. Wrong, but plausible
 - b. \$45.00. Correct
 - c. \$450.00. Wrong, but plausible
 - d. \$2,205.00. Wrong, but plausible
8. ABC Company pays \$2,100.00 for local television advertising. What is the journal entry?
- a. Debit Advertising Expense \$2,100.00
Credit Cash \$2,100.00 Correct
 - b. Debit Accounts Payable \$2,100.00
Credit Advertising Expense \$2,100.00 Wrong, but plausible
 - c. Debit Advertising Expense \$2,100.00
Credit Accounts Payable \$2,100.00 Wrong, but plausible
 - d. Debit Cash \$2,100.00
Credit Advertising Expense \$2,100.00 Wrong, but plausible

9. If a business has liabilities of \$25,000.00 and owner's equity of \$17,500.00, the value of its assets is:

- a. \$7,500.00. Wrong, but plausible
- b. \$17,500.00. Wrong, but plausible
- c. \$25,000.00. Wrong, but plausible
- d. \$42,500.00. Correct

10. Wilson Department Stores purchased 500 sweaters at \$20.00 each. Fifty of the sweaters were defective and returned (payment was not made prior to the return). What journal entry would Wilson make to record the return?

- a. Debit Accounts Payable \$1,000.00
Credit Purchase Returns \$1,000.00 Correct
- b. Debit Accounts Receivable \$1,000.00
Credit Purchase Returns \$1,000.00 Wrong, but plausible
- c. Debit Purchase Returns \$1,000.00
Credit Accounts Payable \$1,000.00 Wrong, but plausible
- d. Debit Accounts Receivable \$1,000.00
Credit Purchases \$1,000.00 Wrong, but plausible

Abbreviations, Symbols and Acronyms

When abbreviations, symbols or acronyms are more commonly used in written and verbal communications within the accounting industry than the words they represent, they will also be used on the written examination required for competency. The following is a list of abbreviations, symbols and acronyms used on the accounting examinations.

\$	Dollars
%	Percent
2/10	2% discount offered by seller if paid within 10 days after the invoice date
CD	Compact Disc
EDP	Electronic data processing
EFTS	Electronic funds transfer system
EIC	Earned income credit
EOM	End of month
FICA	Federal Insurance Contribution Act
FIFO	First in first out
FIT	Federal Income Tax
FOB	Free on board
FUTA	Federal Unemployment Tax Act
GAAP	Generally Accepted Accounting Principles
HI	Health insurance
ID	Identification
Med	Medicare
n/30	Net amount is due within 30 days after the sales invoice date
OASDI	Old age, survivor and disability insurance
SS	Social Security
SUTA	State Unemployment Tax Act
U.S.	United States
USB	Universal serial bus

Test Taking Strategies

This section of the study guide contains valuable information for testing success and provides a common-sense approach for preparing for and performing well on any test.

General Testing Advice

1. Get a good night's rest the night before the test — eight hours of sleep is recommended.
2. Avoid junk food and “eat right” several days before the test.
3. Do not drink a lot or eat a large meal prior to testing.
4. Be confident in your knowledge and skills!
5. Relax and try to ignore distractions during the test.
6. Focus on the task at hand — taking the test and doing your best!
7. Listen carefully to the instructions provided by the exam proctor. If the instructions are not clear, ask for clarification.

Testing Tips

1. Read the entire question before attempting to answer it.
2. Try to answer the question before reading the choices. Then, read the choices to determine if one matches, or is similar, to your answer.
3. Do not change your answer unless you misread the question or are certain that your first answer is incorrect.
4. Answer questions you know first, so you can spend additional time on the more difficult questions.
5. Check to make sure you have answered every question before you submit the assessment for scoring — unanswered questions are marked incorrect.



