Business Math

Tax Simulation #2

Instructions: Use the information provided to fill out 1040 EZ form for Cicely B. King.



Review Questions

Answer the following multiple-choice questions about wage and tip income by clicking on the correct answers. To assess your answers, click the Check My Answers button at the bottom of the page.

1. **The Wage and Tax Statement is also known as**
* A. Form W-2.
* B. Form 1040EZ.
* C. Form W-4.
* D. None of the above
1. **Which of the following is true?**
* A. Only tips paid in cash are taxable.
* B. Only tip income reported on Form W-2 is taxable.
* C. Tip income is not taxable.
* D. All tip income is taxable.
1. **Which of the following is not reported on Form W-2?**
* A. Wages, tips, and other compensation
* B. Federal income tax withheld
* C. Medicare tax withheld
* D. The number of withholding allowances claimed by the employee on Form W-4