

LAGOS CITY POLYTECHNIC, IKEJA
SCHOOL OF MANAGEMENT AND BUSINESS STUDIES

DEPARTMENT OF ACCOUNTANCY

2016/2017 SEMESTER EXAMINATION

1. (a) Explain the term Capital Allowance
 (b) State 5 conditions for granting capital allowance to a firm.

business		TAXATION		NO OF QUESTIONS		on	
COURSE TITLE:	1	1996.	The	adjusted	profits	are	as follows:
COURSE CODE:	ACC 224						
FOR WHOM:	01/07/96	ND YR III	ACC	31/12/96	PT	INSTRUCTIONS:	45,000
ATTEMPT	01/01/97			31/12/97		ANY	84,000
	01/01/98			31/12/98			125,000

1. The following assets were purchased on the dates hereunder:
 (a) Explain the term Capital Allowance
 (b) State 5 conditions for granting capital allowance to a firm

Date	Items	Amount
01/07/96	Plant	260,000
02/08/96	Motor vehicle	580,500
01/07/96	Furniture	172,000
01/07/96	Plant	45,000
01/01/97	Motor	84,000
01/01/98	Furniture	125,000

- Assuming the initial and annual rates are as follows:
 The following assets were purchased on the dates hereunder:
 Furniture & fittings 20% 10%
 Motor vehicle 50% 25%
 Plant & machinery 90% 10%

Date	Items	Amount
01/07/96	Plant	260,000
02/08/96	Motor vehicle	580,500
01/07/96	Furniture & fittings	172,000

2. (a) Explain the operation of education tax as it applies to corporate organization under CITA. the initial and annual rates are as follows:
 (b) State the composition of Board of Trustees for Education Trust Fund.
 (c) State 4 duties of executive secretary of education tax fund.

Date	Items	Amount
01/07/96	Motor vehicle	25%
01/07/96	Furniture	10%
01/07/96	Plant	90%

3. (a) Write short note on the term Withholding tax
 (b) List 10 incomes subjected to 20% withholding tax
 (c) List 3 agents of the relevant tax authority for of or administering withholding tax.
 Compute the capital allowance.

Blackburn Ltd	has provided the final accounts for 30th September 2015 as follows:
1,000,000	Gross Profit
1,000,000	Expenses:
	Carriage 24,000
	Discount 18,000
	Legal expenses 300,000
	Transport 80,000
	Bad N debt 50,000
	Nent 250,000
	Gross Profit fees 150,000
	Printing and stationery 180,000
	Remain 20,000

