

LAGOS CITY POLYTECHNIC, IKEJA
SCHOOL OF MANAGEMENT AND BUSINESS STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION
2016/2017 SEMESTER EXAMINATION

COURSE TITLE:	TAXATION	NO OF QUESTIONS :	6
COURSE CODE:	ACC 414	TIME ALLOWED:	2 1/2 HRS
FOR WHOM:	HND YR III AC	INSTRUCTIONS:	ATTEMPT ANY

FOUR QUESTIONS.

1. (a) As contained in the Industrial Development Act, distinguish between the old and new business or trade of a pioneer company.
- (b) List 10 companies/product that are granted pioneer status.
- (c) You have been approached by a client for an advice on how to apply for a pioneer certificate and the conditions precedent to issuing such a certificate. Enumerate the salient points to be brought to your clients attention.

2. (a) Define Capital Gains Tax.
- (b) What do you understand by the term chargeable assets in the context of Capital Gains Tax.
- (c) Happydays Limited purchased a set of plant and machinery at a cost of N200,000 on 1st April 2014. Part of the machinery was sold on 31st December, 2015 for N80,000.
The company incurred N15,000 as expenses incidental to the sale. The market value of the remaining plant and machinery was N120,000 on 31st December, 2015.
You are required to compute the capital Gains Tax payable for the relevant year of assessment.

3. (a) What is Value Added Tax
- (b) State 5 goods and 5 services exempted from VAT.
- (c) XYZ Nigeria Limited is a company engaged in Hotel services. The company prepared accounts up to 31st December of every year and it is a registered VAT agent of FIRS. Examining its 2015 ledger, VAT Accounts showed.
VAT Accounts N VAT charged on food & N
VAT paid materials for kitchen 880,000 Drinks
1,540,000
VAT paid on drinks for resale 100,000 VAT charged on Accommodation
2,510,000

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1,540,000		
VAT paid on drinks for resale	100,000	VAT charged on Accommodation
2,510,000		
VAT paid on furniture	125,000	VAT charged on other Service
		910,000
VAT paid on legal services		45,000
Amount remitted to FIRS		2000,000
	4,960,000	
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Required:

- (a) Compute the total amount of VAT due to FIRS for 2015 YOA.
- (b) Ascertain the balance remittable for that year.

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