

LAGOS CITY POLYTECHNIC, IKEJA
SCHOOL OF ENGINEERING AND APPLIED SCIENCE
DEPARTMENT OF ACCOUNTANCY
2016/2017 SEMESTER EXAMINATION

COURSE TITLE:	TAXATION II	NO OF
QUESTION:		5
COURSE CODE: ACC 224		TIME: ALLOWED:
2HRS		
FOR WHOM:	ND YR III ACC	PT

INSTRUCTIONS: Answer any 4 of the questions

1. (a) Explain 3 types of VAT
 (b) Highlight 5 goods and 5 services exempted from Value Added Tax (VAT)
2. (a) Discuss 5 advantages of withholding tax.
 (b) Define withholding tax and itemize. The particulars contained in the payment schedule that would accompany the withholding tax cheque.
3. The extracts from the statement of comprehensive income of Adebola Nigeria Limited who has been trading for many years, for the years ended 31 December 2012 and 2013 (as adjusted for tax purposes) are as follows:

Year ended 31 December	2013	2012
	N	N
Trading profit	14,000,000	10,000,000
Bank Interest received (Gross)	2,400,000	1,600,000
Debenture interest received (Gross)	800,000	800,000
Dividend received from Ade Ltd. (Net)	720,000	720,000
Dividend paid to shareholder (Gross)	6,000,000	4,000,000

Required:

- (a) Compute the companys tax liability for the relevant years of Assessment
- (b) Determine the net withholding tax payable or receivable by Adebola Nigeria Limited arising from dividends paid & received by it.
4. (a) Olabisi Limited is a manufacturing outfit based in Mowe, Ogun State. The company sold its vatable products to a wholesaler, Ake Enterprises, for N2,000,000. The wholesaler in turn sold the products to a retailer, Mrs. Ojelade, for N3,500,000, who finally sold to consumers for N4,200,000. Assume there was no closing inventory at each stage of the transactions.
 Required: Compute total VAT payable to Federal Inland Revenue Service.
- (b) Define value Added Tax (VaT)
5. (a) Discuss 5 functions of the Board of Trustees of Tertiary Education Trust Fund.
 (b) Explain Tertiary Education Tax and state the composition of its Board of Trustees.