

Candidate Number			

You must tick in the boxes below which three Modules you have answered and also write your candidate number in the box provided on the cover of each Module

A	B	C	D	E
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



The Chartered Tax Adviser Examination

November 2008

PAPER I – GENERAL TAXATION

TIME ALLOWED – 3 HOURS

- You should answer **THREE** out of the five following modules:
 - Module A – Personal Tax (Cream Section)
 - Module B – Business Tax (Grey Section)
 - Module C – Capital Taxes and Trusts (Blue Section)
 - Module D – VAT (Green Section)
 - Module E – Other Indirect Taxes (Pink Section)
- Each module consists of 20 questions and each question carries 6 marks.
- You must answer all the questions from the modules you choose.
- You should answer questions in brief bullet points and/or summary computations where appropriate.
- You must answer questions in the spaces provided.
- You may not need all the space provided.
- You should make all calculations to the nearest month and pound unless stated otherwise.

Candidate Number			

You must tick the box below if you have answered this Module.

☐

The Chartered Tax Adviser Examination

November 2008

PAPER I – GENERAL TAXATION

MODULE A – PERSONAL TAX

- Each question carries 6 marks.
- You must answer all the questions from the modules you choose.
- You should answer questions in brief bullet points and/or summary computations where appropriate.
- You must answer questions in the spaces provided.
- You may not need all the space provided.
- You should make all calculations to the nearest month and pound unless stated otherwise.

- List three typical different *economic* factors which may indicate that a taxpayer is truly self-employed. Also, list three different economic factors which may indicate that a taxpayer is employed.

[illegible]

- Compute the amount of Income Tax payable by, or repayable to, Mrs Chard on 31 January 2009.**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- You are required to explain Corporal Allen's obligations in relation to the retention of records for 2006/07 and 2007/08.**

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- 1) Four return flights to visit the villa at £200 each;
- 2) Interest paid of £2,000 to finance the purchase of the Spanish villa.

Briefly explain:

- a) whether the above expenses are tax deductible;
- b) how an excess of expenses over income on the villa rentals may be relieved.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- State with reasons whether he should declare his Swiss dividends and interest on his 2008 tax return.**

[illegible]

- Calculate his liability to Class 1 primary National Insurance Contributions for 2007/08 for months 1 and 12 respectively, assuming that the director's method of calculation is used. You are NOT required to calculate the employer's contributions.**

[illegible]

- Explain briefly what he should already have done to comply with the personal service company (IR35) rules, and state the date from which interest will run on unpaid Income Tax.**

[illegible]

- Explain whether the following companies are likely to be regarded as carrying on a “qualifying trade”:**

- [illegible]

11. Henry Martini commenced trading on 1 February 2008 and prepares accounts to 31 December each year. He was previously an employee of Repeating Ltd having paid tax at the higher rate for several years.

His tax adjusted profits and losses are:

	<u>Tax adjusted profit/(loss)</u>
	£
2007/08	(7,600)
2008/09 (estimated)	(31,200)

Henry has no other sources of income.

Without calculations, briefly explain how the losses may be relieved.

- Each year he makes a £600 cash donation to the Royal British Legion, a registered charity, and signs a Gift Aid form.

- [illegible]

- She has £30,000 accumulated in her current account at a poor rate of interest and no other savings or investments.

- [illegible]

- State three Income Tax advantages that furnished holiday lettings have over other furnished lettings.**

[illegible]

- Mr Broomhead has not previously been required to submit a tax return.

- [illegible]

- Within the SIP tax exemption rules, explain whether directors of the company may receive more free shares in the company than employees, such shares being awarded on the basis of financial performance.**

[illegible]

- Explain whether Joe will receive tax relief for mortgage interest paid.**

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- For 2007/08, his South African earnings were paid in US dollars into an account in the British Virgin Islands, where they are accumulated.

For 2007/08, his yearly UK earnings, by agreement, were paid in a lump sum, on 6 April 2008, into his bank account in South Africa.

Briefly explain:

- 1) Whether the South African earnings will be taxable in the UK;
- 2) When the UK earnings will be taxable in the UK.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- Briefly explain whether each of the above items is taxable.**

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

20. Victoria Cross completed her 2007/08 tax return online. This showed the following:

	£
Total Income Tax liability	10,664
Capital Gains Tax liability	3,222
Class 4 National Insurance Contributions liability	198
2007/08 PAYE deducted	5,740
Tax credits on UK dividends received	400
Tax deducted from building society account savings	600

She had no tax liability for the previous year.

Compute how much tax she will have to pay in 2009, and state the due date(s) on which it will become payable.

Candidate Number			

You must tick the box below if you have answered this Module.

☐

The Chartered Tax Adviser Examination

November 2008

PAPER I – GENERAL TAXATION

MODULE B – BUSINESS TAX

- Each question carries 6 marks.
- You must answer all the questions from the modules you choose.
- You should answer questions in brief bullet points and/or summary computations where appropriate.
- You must answer questions in the spaces provided.
- You may not need all the space provided.
- You should make all calculations to the nearest month and pound unless stated otherwise.

1. Andrea started her business on 1 August 2007 and prepared her first accounts for the period to 31 March 2008. She acquired the following assets for use in her business:

		£
1 August 2007	Computer system	4,000
10 September 2007	Car for use by Andrea (40% private use)	14,000

The car is not a low emission car. Andrea's business is small for capital allowance purposes.

Calculate the maximum capital allowances that can be claimed by Andrea for the 8 months ended 31 March 2008.

[illegible]

2. Barnabas has for many years run a business as a marketing consultant. He has recently incurred the following items of expenditure:

	£
Donation to a local hospital scanner appeal, paid under the gift aid scheme	100
Redecoration of newly acquired offices, which were acquired in a poor state of repair. The offices had been used by the previous owners up to the date of sale	4,000
Lease premium paid on the acquisition of the 15 year lease for the new offices	10,000

Determine, with explanations, how each item will be treated in calculating the adjusted trading profit for Barnabas.

3. Carlos has been in business as a sole trader for many years. He is considering incorporating his business.

Indicate how the treatment of the following items would differ following the incorporation of Carlos' business, as compared to the position when Carlos was operating as a sole trader:

- 1) **Provision of a fully expensed car with both business and private use by Carlos;**
- 2) **National Insurance Contributions payable by Carlos on his earnings.**

You are NOT required to perform any calculations.

[illegible]

4. Declan, a sole trader who has been in business for many years, has the following income and gains:

	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>
	£	£	£
Trade profit/loss	3,000	(50,000)	40,000
Bank interest (gross)	2,000	2,000	2,000
Chargeable gains (no taper relief available)	90,000	9,000	10,000

Identify, with explanations, the most beneficial use of the trading loss assuming Declan wishes to minimise his tax liability.

You are not required to calculate the tax payable.

5. Edgar, Flavia and Guy have been in partnership for many years, sharing profits and losses as follows:

	<u>Edgar</u>	<u>Flavia</u>	<u>Guy</u>
Salary (pa)	£5,000	Nil	£15,000
Profit share	2/6	3/6	1/6

In the year ended 31 August 2008, the partnership made an adjusted trading loss of £40,000.

Calculate the trading profit/loss of each individual partner for the year ended 31 August 2008.

[illegible]

6. Mikey commenced trading on 1 December 2006 and is drawing up accounts to 31 March. He is preparing his return for 2007/08 and is undecided whether to draw up accounts under option 1 or option 2 below. Mikey has no other sources of income.

	<u>Option 1</u>	<u>Option 2</u>
	<u>Adjusted profits</u>	<u>Adjusted profits</u>
	£	£
16 months ended 31 March 2008	<u>52,128</u>	
4 months ended 31 March 2007		5,010
Year ended 31 March 2008		<u>47,118</u>
		<u>52,128</u>

Assuming that Mikey aims to pay as little Income Tax as possible, identify which of the options achieves his objective. You are NOT required to calculate Mikey's Income Tax liability.

[illegible]

- State, with brief explanations, the dates of the first THREE accounting periods of Big Time Ltd.**

[illegible]

-
- This image shows a full page of white paper designed for handwriting practice. It features 20 evenly spaced, horizontal dashed lines that run across the entire width of the page. The lines are thin and black, providing a guide for letter height and placement. There are no margins, text, or other markings on the page.

- Scissors Ltd prepares accounts to 31 March each year and does not pay tax at the full rate.

[illegible]

10. ENT Ltd prepared accounts for the 15 months to 31 March 2008. The company's results for the period are:

		£
Adjusted trade profit before capital allowances		120,000
Chargeable gains/losses	10 May 2007	20,000
	2 February 2008	(3,000)
Two gift aid payments of £300 each	25 September 2007 & 25 January 2008	(600)

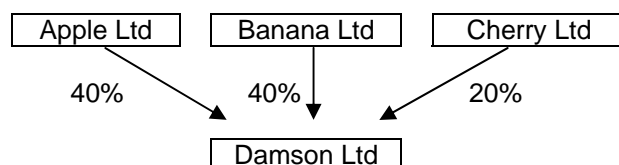
ENT Ltd, a small company for capital allowance purposes, purchased office furniture for £20,000 in January 2008. It had previously only leased assets.

Calculate the profits chargeable to Corporation Tax for all accounting periods in the 15 months to 31 March 2008.

- Briefly explain for how long Samsy Ltd must retain its records for the year ended 31 March 2008 and the consequences of not doing so.**

This image shows a full page of white paper with horizontal dashed lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

12. Damson Ltd is owned:



All companies are UK resident and the percentages shown above represent the holdings of ordinary share capital. The companies' results for the year ended 31 March 2008 are.

	<u>Apple Ltd</u>	<u>Banana Ltd</u>	<u>Cherry Ltd</u>	<u>Damson Ltd</u>
	£	£	£	£
Trade profit/(loss)	52,000	15,000	21,000	(98,000)
Chargeable gain				12,000

- 1) Determine the maximum loss relief that can be surrendered by Damson Ltd to Cherry Ltd.
- 2) Explain how your answer would differ, if the shareholdings were instead Apple Ltd 80%, Banana Ltd 10% and Cherry Ltd 10%.

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the entire width of the page. There are no margins, text, or other markings present.

- State the Corporation Tax treatment of each of these disposals, including the relief available for any deficits.**

[illegible]

- State all possible methods of obtaining relief for the interest paid of £20,000. Identify whether relief can be restricted under any of the methods.**

[illegible]

16. Mod Ltd has the following results:

	<u>Year ended 30</u> <u>June 2006</u>	<u>9 months ended</u> <u>31 March 2007</u>	<u>Year ended 31</u> <u>March 2008</u>
	£	£	£
Trading profit/(loss)	40,000	30,000	(90,000)
Schedule A	3,000	2,000	4,000
Chargeable gains/ allowable losses	(2,000)	10,000	
Gift aid	(1,000)	(1,500)	(2,000)

Assuming that Mod Ltd claims relief for trading losses as early as possible, calculate the trading loss to be carried forward at 31 March 2008.

17. Creed Ltd has 20 employees and an annual turnover of £12 million. The following results relate to the company for the year ended 31 March 2008:

	£
Trading loss	(100,000)
Schedule A	5,000
PAYE and NIC due	14,600
Expenditure on research and development:	
Laboratory staff costs and consumables	81,000
Laboratory equipment	19,500

Calculate the research and development tax credit available to Creed Ltd for the year ended 31 March 2008.

18. Leit Ltd has the following income and expenditure in relation to property for the year ended 31 December 2007:

	£
Lump sum received as an inducement to take out a five year lease on new premises to be used as the company's new headquarters	40,000
Premium received from a 10 year lease on a new investment property on 30 December 2007	34,000
Interest payable on a loan to acquire the investment property	2,500

State how these items will be treated for Corporation Tax purposes.

19. Sonic Ltd prepared accounts for the 10 months to 31 March 2008. The company's results were as follows:

	£
Schedule D I	140,000
Schedule D III	20,000
Dividend received from Hedge Ltd	36,000

Sonic Ltd has a 60% investment in the ordinary share capital of Hedge Ltd.

Calculate the Corporation Tax liability of Sonic Ltd for the period ended 31 March 2008.

[illegible]

- During 2007/08 Mario paid £2,000 interest on a loan to purchase his share in the partnership.

[illegible]

Candidate Number			

You must tick the box below if you have answered this Module.

☐

The Chartered Tax Adviser Examination

November 2008

PAPER I – GENERAL TAXATION

MODULE C – CAPITAL TAXES AND TRUSTS

- Each question carries 6 marks.
- You must answer all the questions from the modules you choose.
- You should answer questions in brief bullet points and/or summary computations where appropriate.
- You must answer questions in the spaces provided.
- You may not need all the space provided.
- You should make all calculations to the nearest month and pound unless stated otherwise.

- On 1 July 2007 OB Ltd had purchased a new five storey building for £1,850,000. The building was used as the new head office for OB Ltd with the exception of one floor which was rented out to an unrelated company.

Calculate the chargeable gains for OB Ltd for the year ended 31 March 2008 assuming all beneficial elections are made and stating the time limit for any elections.

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

7. Jeff made the following disposals in May 2007:

He sold a 20% shareholding in CD Ltd (a trading company) to his son for £7,000. He had bought the shares for £2,000 in June 1999. The value of the shares in May 2007 was £40,000.

Jeff settled a rental property worth £350,000 into a discretionary trust. The property had cost £180,000 in March 1995. The property is rented to a property investment company.

Calculate the chargeable gain, before taper, for each disposal. Assume Jeff wishes to minimise the tax payable in 2007/08 and makes any beneficial elections, stating clearly the elections required. Ignore indexation.

[illegible]

- Manjit had trading profits of £33,000 in 2007/08. He made no other chargeable disposals during the tax year, had no other sources of income, and was entitled to no reliefs or deductions other than the personal allowance.

[illegible]

9. During 2007/08 Elizabeth made a number of disposals as follows:

- 1) Gave each of her seven grandchildren £1,000 cash.
- 2) Gave her vintage motor car, worth £4,000, to her youngest grandson who intends to renovate it.
- 3) Sold listed shares for £12,000 realising an indexed gain of £5,350.

Elizabeth had capital losses brought forward of £3,000.

- 1) State briefly, with reasons, whether each of the above disposals are chargeable to Capital Gains Tax.
- 2) Compute the chargeable gain for 2007/08 and state the amount of any allowable loss carried forward.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- 1) Explain with regards to the property, the consequence of the introduction of Thomas to the partnership in October 2004.
- 2) Calculate the chargeable gain before taper relief for Ciaran on the disposal of the property in December 2007.

[illegible]

11. The Izbister trust was set up several years ago. The trust deed stipulates that the income is to be distributed or accumulated as the trustees deem fit.

During 2007/08 the trust bank account showed the following receipts and payments:

	£
UK bank interest received	1,040
Dividends from quoted UK companies (including tax credits)	3,100
Rents received and receivable	9,600
Trustees' management expenses paid	450

Calculate the total Income Tax liability of the trustees for 2007/08.

14. Maria, who was domiciled in Spain, was married to John, who is UK domiciled. Maria died on 10 August 2007. Maria had lived in the UK since 1 April 2000 having previously always lived in Spain.

Maria had made no lifetime transfers and owned the following assets at her death:

	<u>Value at August 07</u>
	£
Villa in Seville, Spain	200,000
Diamond ring and necklace held in bank safety deposit box in Madrid, Spain	5,300
Cash held in bank accounts with UK bank:	
London branch	87,000
Madrid branch	24,000
10,000 £1 shares in Ubit plc, quoted on the London Stock Exchange at 160p-168p with recorded bargains at 164p, 169p and 166p	

Maria left her estate to be divided equally between her three children.

Calculate the value of the chargeable estate for Inheritance Tax as a result of Maria's death, giving brief reasons for the treatment of each item.

15. The following occurred in June 2007:

- 1) Alice died owning shares in Dib Ltd, a trading company, worth £63,000. She had inherited the shares seven months earlier from her husband Alfred. He had acquired the shares in 1992.
- 2) Diana died owning 20% of the shares in Stick Ltd and the freehold of the building used by the company as its head office. The building was worth £284,000. Diana's husband owned a further 20% of the shares in Stick Ltd with the remainder owned equally by her three brothers. Stick Ltd is a trading company.

Briefly explain, in each case, the entitlement to Business Property Relief.

[illegible]

16. Faheem was UK domiciled, resident and ordinarily resident until his death in January 2008.

On 1 May 2007, Faheem gave 1,000 shares in Abacus Ltd, a small private company, to his son, on occasion of his marriage. Prior to the gift the shares were owned as follows:

	<u>Number of shares</u>
Faheem	2,000
Faheem's wife, Haafil	1,800
Faheem's cousin	1,000
FJY – a charity to which Faheem's wife had given shares two years previously	<u>200</u>
	5,000

The shares were valued as follows:

	<u>Value per share</u>
	£
Holding of between 75 and 100%	300
Holding of between 51 and 74%	180
Holding of 50% or less	140

Abacus Ltd is a trading company with net assets valued at £1,300,000. Included within this is a rental property worth £260,000.

Faheem had made no previous lifetime gifts.

Calculate the value of the gift for Inheritance Tax.

- Richard had a qualifying interest in possession in a trust created in 1995 by his father. The trust assets were worth £210,000 in May 2007. The trust funds were payable to Richard's son on his death.

Calculate the Inheritance Tax payable on the death of Richard stating who is accountable for the payment.

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- In March 2002 he gave his cottage in Cornwall to his granddaughter when it was worth £236,000. Due to the increased danger of coastal erosion the cottage was only worth £185,000 by September 2007.

Oscar had no chargeable estate at his death.

Calculate the Inheritance Tax payable on the death of Oscar.

[illegible]

20. The following items appeared in the death estate of Noah:

- 1) Family home (owned only by Noah)
- 2) A 60% shareholding in Astmag Ltd, an investment company
- 3) A 1% shareholding in BG plc, quoted on the London Stock Exchange

State, for each of the above, whether any Inheritance Tax due could be paid by instalments. Give a brief reason for your answer in each case.

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Candidate Number			

You must tick the box below if you have answered this Module.

☐

The Chartered Tax Adviser Examination

November 2008

PAPER I – GENERAL TAXATION

MODULE D – VAT

- Each question carries 6 marks.
- You must answer all the questions from the modules you choose.
- You should answer questions in brief bullet points and/or summary computations where appropriate.
- You must answer questions in the spaces provided.
- You may not need all the space provided.
- You should make all calculations to the nearest month and pound unless stated otherwise.

1. **You are required to:**

- 1) explain the circumstances in which a business that has ceased to be registered for VAT, can claim Input Tax;
- 2) explain how it should make such a claim; and
- 3) state the time limits that apply to such a claim.

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- [illegible]

3. You are required to explain the place of supply rules for the letting on hire of a means of transport.

This image shows a full page of white paper with horizontal dashed lines, typical of primary school handwriting practice paper. The lines are evenly spaced and run across the entire width of the page. There are no margins, text, or other markings present.

- The product was "Hartley's Extra Thick Smoothies" which contained 96% pureed fruit and was packaged in a sachet and consumed by squeezing the contents through a nozzle.

You are required to give your own view of the VAT liability issues involved here, why you think HM Revenue & Customs raised the assessment and why they withdrew it.

This image shows a full page of primary-ruled paper. It features multiple sets of horizontal lines designed for handwriting practice. Each set consists of three lines: a solid top line, a dashed middle line, and a solid bottom line. These sets are repeated vertically down the entire page, providing ample space for practicing letter formation and alignment. The paper is otherwise blank, with no margins or additional markings.

- You are required to give a brief explanation of the Fleming decision, including the issues and principles tested in that case.**

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- 1) Construction & sale of new dwellings;
- 2) Construction of student halls of residence for a University;
- 3) Construction of a new prison for the Home Office Prison Service;
- 4) Freehold purchase of a dilapidated factory site. Omega immediately demolished the old factory and intended to build a new office block and sell the freehold on completion to a third party. After demolition had been completed but before any construction had commenced, Omega was refused planning permission. As a result, it sold the land to a private individual who intended to build his own house on the site.

You have extracted the following information from Omega's records:

	<u>Supplies made (excluding VAT)</u>	<u>VAT incurred</u>
General expenses		£17,500
Legal fees		£8,750
Freehold sale of new dwellings	£1,500,000	£8,000 (all of which was VAT on kitchen electrical equipment such as fridges, cookers and dishwashers)
Construction of student halls of residence	£5,000,000	£175,000
Construction of a new prison	£5,000,000	£175,000
Sale of land	£3,000,000	£2,750 (VAT on demolition costs)

You are required to calculate the VAT recovery rate for the year ended 31 March 2008, and to determine how much VAT Omega can recover. Omega has not agreed any partial exemption method with HM Revenue & Customs. You should assume that Omega correctly dealt with any provisional recovery of Input Tax.

[illegible]

- The contract allows Delta Ltd to submit weekly invoices to the Government's Immigration Service.

This image shows a full page of white paper with horizontal dashed lines, typical of primary school writing paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- You are required to state those conditions.**

This image shows a full page of a document template designed for handwriting practice or general writing. It features a series of evenly spaced, horizontal black dashed lines running across the entire width of the page. The background is plain white, providing a clear contrast for the lines. There are no margins, text, or other markings present on the page.

- The public authority decided to terminate Gamma Ltd's contract and Gamma Ltd's lawyers have advised that under the terms of the contract, Gamma Ltd will be entitled to a compensation payment for the loss of its assets, as the contract entitles the public authority, or any third party nominated by them, to take title to and ownership of the PFI project facilities owned by your client.

Gamma Ltd's lawyers have concluded that because the payment is a compensation payment as a result of the public authority terminating the contract, it will not be liable to VAT.

You are required to draft brief bullet point notes for a meeting with Gamma Ltd to explain whether the lawyers are right.

This image shows a full page of a handwriting practice worksheet. It consists of multiple sets of three horizontal dashed lines, providing a guide for letter height and placement. The lines are evenly spaced across the entire page, which is otherwise blank white space.

- You are required to state five of the required pieces of information which must be shown on a less detailed VAT invoice, and also to state for which class of supplies a less detailed VAT invoice must not be used.**

This image shows a full page of white paper with horizontal dashed lines, typical of primary school handwriting practice paper. The lines are evenly spaced and run across the entire width of the page. There are no margins, text, or other markings present.

- You are required to list the currently available retail schemes, and to provide a brief description of each.**

[illegible]

17. Supplies of fuel and power are supplies within the scope of VAT.

You are required to state, giving any relevant legal references:

- 1) whether supplies of fuel and power are supplies of goods, services or both;
- 2) what VAT liability attaches to supplies of fuel and power.

Note: in answering part 2, you should ignore any ancillary charges made by suppliers in relation to supplies of fuel and power, and consider only the actual supplies of fuel and power.

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- Sometimes HM Revenue & Customs require business to change their VAT accounting practices prospectively with no correction of past errors, but sometimes they will require businesses to apply changes retrospectively, and therefore past VAT accounting errors will have to be corrected.

[illegible]

- You are required to prepare brief notes, confirming whether or not the VAT on these items is recoverable and explaining why, giving the appropriate legal references.**

[illegible]

20. You are required to explain the meaning, and legal basis, of “Consideration”, for VAT purposes.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Candidate Number			

You must tick the box below if you have answered this Module.

☐

The Chartered Tax Adviser Examination

November 2008

PAPER I – GENERAL TAXATION

MODULE E – OTHER INDIRECT TAXES

- Each question carries 6 marks.
- You must answer all the questions from the modules you choose.
- You should answer questions in brief bullet points and/or summary computations where appropriate.
- You must answer questions in the spaces provided.
- You may not need all the space provided.
- You should make all calculations to the nearest month and pound unless stated otherwise.

1. **State the six methods of valuation for Customs Duty purposes.**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

2. **State six approval criteria for the 'Simplified Import VAT Accounting' scheme.**

[illegible]

- 1) sea;
- 2) air;
- 3) road, rail or inland waterway;
- 4) post.

[illegible]

- You are required to briefly state the steps your client should follow to appeal this decision as far as lodging an appeal with the Tribunal.**

This image shows a full page of a worksheet designed for handwriting practice. It features 20 evenly spaced, horizontal dashed lines across the entire width of the page. The background is plain white, providing a clear guide for letter height and placement. There are no margins, text, or other markings present.

- You are required to explain, briefly, the basic tax points for Insurance Premium Tax.**

[illegible]

- 1) State the eligibility criteria for group treatment; and
- 2) State the conditions that will be applied once group treatment is applied.

[illegible]

8. Different rates of Insurance Premium Tax are applicable depending on the risk being insured.

State the Insurance Premium Tax rate applicable and calculate the Insurance Premium Tax charge within the following:

- 1) £800 tax inclusive premium for fully comprehensive motor insurance;
- 2) £180 tax inclusive premium for central heating cover;
- 3) £500 tax inclusive premium for life insurance.

This image shows a full page of white paper with horizontal dashed lines, typical of primary-ruled notebook paper. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

- You are required to explain the rules for adjusting the weight to allow for the presence of water in certain circumstances.**

[illegible]

10. Aggregates Levy legislation refers to the 'originating site' of an aggregate.

You are required to explain the meaning of the term ‘originating site’.

[illegible]

11. State three exempt processes for Aggregates Levy purposes.

[illegible]

12. You are required to state six examples of prescribed industrial processes which may be entitled to credit from Aggregates Levy.

[illegible]

- [illegible]

- You are required to state six situations where waste will qualify for exemption from Landfill Tax.**

This image shows a full page of a worksheet designed for handwriting practice. It features 20 evenly spaced, horizontal dashed lines that run across the entire width of the page. The background is plain white, providing a clear space for writing. There are no margins, text, or other markings on the page.

15. You are required to state six of the requirements for information needed on an invoice for it to be regarded as a 'landfill invoice'.

[illegible]

-
- This image shows a full page of blank handwriting practice paper. It features 20 evenly spaced, horizontal black dashed lines running across the entire width of the page. The background is plain white, providing a clear guide for letter height and placement. There are no margins, text, or other markings present.

17. You are required to state six examples of uses for taxable commodities that are exempt from Climate Change Levy.

(You are not required to consider excluded uses, or uses subject to reduced rates.)

This image shows a full page of a worksheet designed for handwriting practice. It features 20 evenly spaced, horizontal dashed lines across the entire width of the page. The background is plain white, and there are no margins, text, or other markings present.

-
- This image shows a full page of a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings on the page.

20. You are required to state six types of records that suppliers of taxable commodities must keep for Climate Change Levy purposes.

[illegible]