

UNISA Level 1 – End of Year exam 2016

Question 1

- i.** B
- ii.** C
- iii.** A
- iv.** D – refer to the Burmah Steamship case
- v.** C – same case as above
- vi.** A
- vii.** B
- viii.** C

Elderly persons	(900)
Medical expenses – $(3,600+1000) \div 2$	(2,300)

- ix.** B
- x.** B – the difference between market value and purchase price forms part of gross income. However, he would be entitled to an exemption on the entire amount given that he is elderly.
- xi.** C
- xii.** B
- xiii.** A

Capital allowances – SIA for truck – $(25\% \times 22,000 \times 60\%)$	(3,300)
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- xiv.** B
- xv.** A

Rollover relief $[(85,000-50,000)/85,000] \times 16,125$	(6,639.70)
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- xvi.** A

Inflation allowance $(2.5\% \times 6 \times 55,000)$	8,250
Inflation allowance $(2.5\% \times 5 \times 5,000)$	625

- xvii.** D

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Question 2

- i.** C
- ii.** D
- iii.** D