

**REQUIRED**

**ADVANCED ZIMBABWE TAXATION 2017**

**POSTGRADUATE DIPLOMA IN ADVANCED ACCOUNTING SCIENCES**

**CTA Level 2 [CAZ2]**

**TEST 2: 25 APRIL 2017**

Required		Marks	
		Sub-total	Total
a)	With reference to the information under initiative 1 being undertaken by Construco discuss with supporting calculations where relevant the capital gains tax implications of the following: I. The sale of the 40% equity stake by the Indian Consortium in 2010. Assume that Capital Gains Tax legislation has not changed between 2010 and 2016. II. The sale by Construco of the 40% equity stake to Thinkworks in 2016	10	
b)	Calculate the Capital Gains Tax Act for Construco of the transactions detailed under initiative 3 for the year of assessment ending 31 December 2016	10	
c)	Discuss and calculate the tax implications in terms of the Income Tax Act for Utanda of the sale of the earthmoving equipment to Construco for the 2016 year of assessment.  <i>You may assume that the 30% markup ordinarily charged by Utanda is also generally accepted by ZIMRA for similar types of transactions.</i>	8	
d)	Write a memo to Mr. Gatsi in which you provide him with advice on the Income Tax Implications of the benefits he has been offered in terms of his revised contract offer. Your advice should also recommend which option is most tax efficient to take where applicable.	9	
e)	Advise Mr. Gatsi on the Income tax implications of the pension receipts accruing to his wife for the 2016 year of assessment.	3	