

## **REQUIRED**

### **PAPER 2**

#### **ADVANCED ZIMBABWE TAXATION 2017**

#### **POSTGRADUATE DIPLOMA IN ADVANCED ACCOUNTING SCIENCES**

#### **CTA Level 2 [CAZ2]**

#### **FINAL EXAMINATION: 09 OCTOBER 2017**

**Time allowed 3 hours including 30 minutes reading time**

**This booklet contains 2 pages including this cover page.**

**REQUIRED**

<b>QUESTION 1 REQUIRED</b>		<b>Marks</b>	
		<b>Sub-total</b>	<b>Total</b>
a)	Discuss whether Tariro is correct to say that Zee Cellular should not have deducted PAYE from his December salary given that he was yet to be paid the salary.	7	7
b)	Discuss in terms of the Income Tax Act whether Tariro would be taxable on his salary and the allowance he received from Vodacell during the time he was seconded to Vodacell.	8	8
c)	Draft a memo in which you advise Tariro, with reasons, on whether you are that the board sitting fees he received should be subject to 20% withholding tax.	7	7
d)	Calculate Tariro's taxable income and tax payable from his employment related activities for the 2016 year of assessment. <i>Note: for amounts which are neither taxable nor deductible indicate by the use of a zero in the computation.</i>	15	15
e)	With reference to Note 1.5 discuss the VAT consequences to Zee Cellular arising from the sale of the truck to Tariro.	6	6
f)	Based on the information provided discuss whether the Gatsi Trust is required to register for VAT purposes.	8	8
g)	With reference to the information on the Gatsi Trust, calculate the taxable income in the hands of the following tax payers for the 2016 year of assessment: <ul style="list-style-type: none"><li>▪ The Gatsi Trust;</li><li>▪ Tariro Gatsi; and</li><li>▪ Tanyaradzwa</li></ul>	12 1 1	14
h)	Calculate the Capital gains tax payable on the disposal of the Warren Park house by the Gatsi Trust.	6	6
i)	Draft a memo in which you advise Tariro, on whether or not he will be required to deduct PAYE on the amounts payable to the following individuals: <ul style="list-style-type: none"><li>▪ Bartenders;</li><li>▪ Managers;</li><li>▪ The fee that he pays himself</li></ul>	6	6
j)	Discuss the income tax consequences to Tariro's bottle business of the transactions detailed in note 3.1 and note 3.2	12	12
k)	Discuss with supporting calculations the capital gains tax consequences of the sale of commercial property which was being leased to the media company.	11	11