

REQUIRED

ADVANCED ZIMBABWE TAXATION 2017

POSTGRADUATE DIPLOMA IN ADVANCED ACCOUNTING SCIENCES

CTA Level 2 [CAZZ]

FINAL EXAMINATION: 09 OCTOBER 2017

Time allowed 3 hours including 30 minutes reading time

QUESTION 1 REQUIRED		Marks	
		Sub-total	Total
a)	<p>Discuss, with supporting calculations where relevant, the VAT consequences to COZIMO of the transactions detailed in the following notes:</p> <ul style="list-style-type: none"> i. Car sale business - Notes 1.1. to 1.5 ii. The leasing business in note 2; and iii. The workshop business – 3.1; 3.3 to 3.9 (<i>Ignore 3.2</i>) <p><i>Your discussion should address the following key issues were applicable:</i></p> <ul style="list-style-type: none"> ▪ <i>the classification of whether the supply is taxable or not and at what rate;</i> ▪ <i>whether input tax can be claimed or output tax should be charged;</i> ▪ <i>the time of supply;</i> ▪ <i>the Value of supply; and</i> ▪ <i>the supporting calculation.</i> 	20 10 20	50
b)	Discuss, with supporting calculations, the Income tax implications to COZIMO of the asset disposals in Part 2 for the year ended 31 December 2016.	25	25
c)	Calculate the Capital Gains Tax payable by COZIMO's on the asset disposals in Part 2 in the year ended 31 December 2016. For each transaction or event, provide a brief explanation of the CGT treatment.	19	19
d)	Calculate the output VAT on each of the assets disposed of by COZIMO in PART 2 of the scenario. Provide a brief explanation where there are no output VAT consequences.	6	6