

**Question 1**

- a. Discuss with supporting calculations the capital gains tax implications on the sale of the shares in Rhodes (Pvt) Ltd from the perspective of Smith and Wesson. **5 Marks**
- b. BPH's group CFO has approached you for advise on whether or not they will be able to use the new mine method to claim the capital redemption allowances in respect of the Rhodes mining operations. **6 Marks**
- c. Calculate the minimum income tax liability of Rhodes for the 31 December 2015 year of assessment. Give a brief explanation for each item adjusted and not adjusted for in your computation. **46 Marks**

**Question 2**

- d. Discuss with supporting calculations the VAT consequences of the imports in note 13. **12 Marks**
- e. Calculate the VAT payable by or refundable to MS for the March 2015 tax period. You can assume that the supply of chickens to local customers is zero rated. **25 marks**
- f. With reference to the information in note 1 calculate the capital gains tax payable on the disposal of the office building during the 2015 year of assessment, assuming that MS has always claimed the maximum possible capital allowances were applicable. **6 marks**

**Grand Total**

**100 marks**