



ACC – Taxation

T152

Thursday, 29/7/2021

08:30 – 11:30 AM

Names

Index number

TVET NATIONAL EXAMINATIONS, RTQF LEVEL 5, 2020-2021

QUESTIONS and ANSWERS BOOKLET

OPTION/ TRADE : **ACCOUNTING**

SUBJECT : TAXATION

ACADEMIC YEAR: **2020-2021**

Read carefully the instructions on page (i) & (ii).

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TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

INSTRUCTIONS TO CANDIDATES: PART I (Answer Booklet)

1. A candidate should fill in the actual names and the index number on the cover of this questions and answer booklet on the provided place (Black Box).
2. It is illegal for a candidate to write any of his/her names, index number or a school name inside the answer booklet.
3. A candidate should check if all pages of the answer booklet are complete. No candidate should remove or tear any pages or part of it from the answer booklet.
4. A candidate should answer in the language in which the examination is set. (See page **(ii)**)
5. A candidate should sign on the sitting plan when submitting the answer booklet. He/she has also to check if the answer booklet is well sealed.
6. No extra paper is allowed in the examinations room. If a candidate is caught with it his/her results will be nullified.
7. No candidate is allowed to write answers not related to the subject being sat for, otherwise it will be considered as a cheating case.
8. Write your answers on the 12 lined pages (From page 1 of 12 to page 12 of 12).
9. Use the last non-lined pages as draft.
10. Results for any candidate who is caught in examination malpractices are nullified. The cheating can be recognized during examinations administration, marking exercise or even thereafter.

TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

OPTION/TRADE: ACCOUNTING

SUBJECT: Taxation

DURATION: 3 hours

INSTRUCTIONS TO CANDIDATES: PART II(Question paper)

The paper is composed of two (2) Sections as follows:

Section I: Attempt all the Twelve (12) questions (60 marks)

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

Allowed materials:

- Ruler or square
- Calculator

Note:

Every candidate is required to carefully comply with the provided assessment instructions.

Section I : Attempt all the Twelve (12) questions (60 marks)

1. a) What is the value added tax?
b) who is liable to pay it? (5 marks)
2. Give the difference between output VAT and input VAT (5 marks)
3. Explain the following categories of tax: (5 marks)
 - a. Withholding tax
 - b. Corporate income tax
 - c. Rental income tax
 - d. Property tax
 - e. Land tax
4. Explain the main components of the salary. (5 marks)
5. Give the difference between Exempt supplies and Zero-rated supplies. (5 marks)
6. A company is registered for VAT. During a period, they have sales of 7, 080,000Rwf including VAT at 18% and purchases of 1, 100, 000Rwf excluding VAT. What is the VAT payable by the company at the end of the period? (5 marks)
7. What is Withholding Tax of 15%? (5 marks)
8. Explain the 5 key economic indicators. (5 marks)

9. Gaparayi is a registered trader in Nyabugogo market. On every Friday, he takes part of the goods to the newly constructed Shyorongi market to attract more clients outside Kigali. In Nyarugenge district, the threshold of market fees is fixed at 10,000 RwF per month and per stall in Muhima, Nyarugenge and Gitega Sectors. The council of Rulindo district have decided to fix at 3000 RwF market fees per stall in all constructed markets across the district.

Required:

Calculate the monthly market fees to be paid by GAPARAYI.

(5 marks)

10. Differentiate tax Evasion from Tax Avoidance.

(5 marks)

11. Birashoboka company ltd made a net profit of 44 million francs last year. The depreciation for the year was 15 million francs and capital allowances amounted to 18 million francs.

a) Calculate the amount for taxable profit

b) The tax paid in the year.

(5 marks)

12. If by the due date, the tax is not declared and paid, or the taxpayer has not applied for tax deferral, the concerned decentralized entity has right to start the tax recovery procedures. Describe the steps of recovery procedures.

(5 marks)

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

13. Explain the 10 roles of taxation in Rwanda. **(10 marks)**

14. John commenced business on 1/1/2018. His monthly sales are as below:

Month	Sales
January	1,800,000
February	800,000
March	2000,000
April	2,500,000
May	2,000,000
June	1,800,000
July	3,000,000
August	4,800,000
September	3,500,000
October	6,850,000
November	2,800,700
December	6,500,000
January	4,650,000
February	1,680,000
March	4,600,800
April	2,804,000
May	3,000,000

Find the time John will register for VAT using annual registration rule. **(10 marks)**

15. EVAS purchases on credit from EDWIN 50kg of Kawunga at 500rwf/kg VAT excluded.

- 100kg of rice at 600rwf with VAT excluded.
- AKANDI 24 cartons each one contains 12 bottles at 300rwf with VAT included.

Fill invoice by showing VAT for each product and total invoice to be paid. **(10 marks)**

16. Peter owns 4 houses located in Kicukiro for the year 2019, he receives rent income of 15,000,000frw

- a) Calculate the rental income tax payable to RRA.
- b) Indicate the deadline for tax declaration and payment.

(10 marks)

17. Suppose Bank of Kigali, apart of its Headquarters, has six (6) branches in Nyarugenge district, five (5) branches in Kicukiro district and four (4) branches in Gasabo district. The following additional information is relevant:

- the turnover of Bank of Kigali for the year 2011, according to the information provided by RRA, is 6,000,000,000 Rwf;
- the turnover of each branch is the average from the total turnover.

Required:

- a) Calculate the total trading license tax for Bank of Kigali;
- b) Calculate the trading license tax belonging to each district. **(10 marks)**

18. YUSUFU is a technician at Fit Metal Industries Limited, receiving a monthly salary of 500,000 RWf. He is also allowed a car and an accommodation by the company. How much will be deducted as PAYE from Yusufu's salary?

(10 marks)

