



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business and Social Studies

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR DEGREE IN
BACHELOR OF BUSINESS ADMINISTRATION
BACHELOR OF COMMERCE

BAC 4405: ISSUES IN TAXATION

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 2 HOURS

INSTRUCTIONS:

- Answer Question **ONE (Compulsory)** and any other **TWO** questions.
- Do not write on the question paper

This paper consists of Two printed pages

QUESTION 1 (Compulsory)

Discuss tax issues arising from the following:

- a) Taxation of cooperatives **(10 marks)**
- b) Taxation of insurance companies. **(10 marks)**
- c) Taxation of unit trusts. **(10 marks)**

QUESTION 2

Determine the tax position of the following cases:

- a) A doctor with private practice also has a parttime appointment with a Regional Hospital Board.
- b) A parttime hospital consultant claimed a deduction for cost of traveling to and from hospital since his duties began when he received a telephone call from the hospital.

- c) A tip received by a doctor from a regular client.
- d) Taxation of the incomes of athletes earned from other countries.

(20 marks)

QUESTION 3

Write explanatory notes on the following:

- a) Tax warranties and indemnities.
- b) Venture capital firms.

(10 marks)

(10 marks)

QUESTION 4

Suggest how the government should handle tax matters to the following:

- a) Capital gain
- b) County tax system
- c) Properties
- d) Entertainment

(20 marks)

QUESTION 5

Write brief notes on the following:

- a) Presumptive tax
- b) Turnover tax
- c) Excise duty
- d) Custom duty

(20 marks)