



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING & FINANCE

UNIVERSITY EXAMINATION FOR:

DEGREE IN BACHELOR OF COMMERCE

BAC 4406 TAX MANAGEMENT

END OF SEMESTER EXAMINATION

SERIES: DECEMBER 2016

TIME: 2HOURS

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

Do not write on the question paper.

QUESTION ONE

- a. In practice, one should realize that there is no “one size fits all” tax control framework.. Each TCF needs to be custom built to the specific needs of the organization and taking into account the specific nature of that organization. Nevertheless, when building a TCF there are a number of generic elements both in process and building blocks that apply to each TCF. Discuss any five generic elements. **(10 Marks)**
- b. Discuss any five stakeholders who may be interested in a good functioning tax control framework. **(10 Marks)**
- c. Discuss any five types of tax returns. **(10 marks)**

QUESTION TWO

- a. Within the business context, risk intelligent enterprises should recognize three levels of responsibility in the corporate 'pyramid' for tax risk management. Discuss.

(10 marks)

- b. Argue in favour of horizontal monitoring approach in tax management.

(10 marks)

QUESTION THREE

- a. Discuss the building blocks of the tax function in organizations. **(10 marks)**

- b. Explain the causes of tax evasion in your country. **(5 marks)**

- c. Explain the measures that can be put in place to enhance tax compliance in your country.

(5 marks)

QUESTION FOUR

- a. Tax planning allows the other elements of a financial plan to interact more effectively by minimizing tax liability. Discuss. **(15 Marks)**

- b. Discuss the essence of double taxation treaties in the tax management process.

(5 Marks)

QUESTION FIVE

- a. Discuss services offered by tax consultants. **(10 marks)**

- b. Elucidate the steps to be followed when undertaking a tax consultancy task.

(10 Marks)