



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

UNIVERSITY EXAMINATION FOR:

BACHELOR OF BUSINESS ADMINISTRATION/BACHELOR OF
COMMERCE

BAC 4406: TAXATION MANAGEMENT

END OF SEMESTER EXAMINATION

SPECIAL/SUPPLEMENTARY EXAMINATIONS

SERIES: DEC 2024

TIME: 2 HOURS

DATE:

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 and any other TWO questions from this paper.

Do not write on the question paper.

QUESTION ONE

- Explain the role of a tax strategy in a profit-oriented organizations. (6 Marks).
- Discuss the steps necessary for developing a well-functioning tax strategy. (12 Marks).
- Discuss the merits of a good integrated tax management system. (12 Marks).

QUESTION TWO

- a. corporate governance plays an important integral role in the tax management process. Discuss. (8 Marks).
- b. Today's executives in local and multinational companies tend to carefully consider business and tax implications when (re)organizing their operations. Discuss. (12 Marks).

QUESTION THREE

- a. Tax may be considered as either a cost factor or a social obligation. Discuss. (8 Marks).
- b. Using a suitable diagram, explain how the tax risk management system can be embedded in the overall philosophy of an organization. (12 Marks).

QUESTION FOUR

- a. Discuss the benefits that accrue to a company whose tax risk is low. (10 Marks).
- b. When designing a tax control framework, allowances should be made for customization after considering several characteristics. Discuss. (10 Marks).

QUESTION FIVE

- a. Discuss the role of management in the tax management process. (8 Marks).
- b. Explain the concept of horizontal tax control approach. (4 Marks).
- c. Explain the advantages that accrue to a company that adopts the horizontal tax control approach. (8 Marks).