TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING & FINANCE

UNIVERSITY EXAMINATION FOR:

DEGREE IN BUSINESS ADMINISTRATION / BACHELOR OF COMMERCE

BAC 4405: ISSUES IN TAXATION

END OF SEMESTER EXAMINATION

SERIES: DEC 2024

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

Discuss tax issues arising from the following: (30 marks)

a. Budget analysis (6 marks)
b. Unit trusts (6 marks)
c. Venture capital firms (6 marks)
d. Insurance companies (6 marks)
e. Taxation of capital gains through back door. (6 marks)

QUESTION TWO

Write explanatory notes on the following:

a. Advance tax (10 marks)

b. Presumptive tax (10 marks)

QUESTION THREE

Discuss the challenges faced by county governments in terms of tax legislation and management. (20 marks)

QUESTION FOUR

Discuss tax issues for the following

a. Global financial crisis (10 marks)

b. Tax warranties and indemnities (10 marks)

QUESTION FIVE

Discuss tax issues arising from the following:

i. VAT on construction services. (10 marks)

ii. Compensating tax (10 marks)