

Course No: ACCA3305
Course Title: Tax Accounting
Date: __/01/2016
No. of Questions: (3)
Time: 2 hours
Using Calculator (Yes)

University of Palestine



Final Exam
First Semester
2016/2017
Total Grade:

Instructor Name: Dr. Ahmed Al-Affi
Student No.: _____
Student Name: _____
College Name: Business and Finance
Dep. / Specialist: Accounting-English
Using Dictionary (No)

Question One: Multiple Choose

(15 Marks)

- 1- The taxes are payable by manufacturers or importers at the port of entry on certain consumer products specified by law.
 - a) Customs.
 - b) VAT.
 - c) Purchase taxes
 - d) None of them.

- 2- The tax assessed by assessor if taxpayer don't submit tax declaration or if it is totally or partially rejected is:
 - e) Assessment by the Court
 - f) Self-assessment
 - g) Administrative assessment
 - h) Tax declaration

- 3- The employer shall withhold tax and transfer it to the Department by detailed report within:
 - a) 4 months of the date of payment
 - b) Every employee pay his salary tax by himself.
 - c) 15 days of the date of payment
 - d) 30 days of the following month of the payment.

- 4- In order to calculate amount include tax, you should one of the following formula:
 - a) $\text{Base} \times \text{tax percentage}$.
 - b) $\text{Total} \div (1 + \text{tax percentage})$.
 - c) a and b.
 - d) None of them.

- 5- One of the following is not of characteristics of tax on salaries:
 - a) Progressive tax
 - b) Convenience.
 - c) Indirect tax.
 - d) a and b.

- 6- if the tax payer doesn't use accounting records, tax assessor has authorized to assess tax using a following formula:
 - a) $\text{Tax amount} = \text{sales} \times \text{percentage}$
 - b) $\text{Tax amount} = \text{cost of sales} \times \text{percentage}$
 - c) $\text{Tax amount} = \text{sales} \div \text{percentage}$
 - d) a and b.

- 7- taxpayer can delay invoices of purchases & expenses for:
 - a) He cannot delay purchases invoices.
 - b) 8 months from the date of purchasing.
 - c) 6 months from the date of purchasing.
 - d) 7 months from the date of purchasing.

- 8- Which one of the following sources of income shall be exempt from tax according to Palestinian income tax law 8/2011:
 - a) Pension payments.
 - b) amount paid as compensation to injury or death
 - c) The income of endowments.
 - d) All of them.

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9- Paltel Corporation records in their income statement of 2016 that the entertainment expense is 500,000 NIS where their gross income for the same year is 50 million NIS. According to Palestinian Income tax law 8/2011, Paltel can record as an entertainment expense: write the answer steps

- a) 500,000 NIS.
- b) 300,000 NIS.
- c) 150,000 NIS.
- d) 1,000,000 NIS.

Answer _____

10- According to Palestinian income tax law 8/2011, the resident nature person who gain annual exemption amounted 30,000 NIS every year must be:

- a) A Palestinian person who stay in Palestine for a period not less than (120) days during the year in which the income is received.
- b) A Palestinian person who was employed during any period of the year by the Palestinian Authority or a local authority whether inside or outside Palestine
- c) A Palestinian person who stay in Palestine for a period not less than (180) days during the year in which the income is received.
- d) a and b.

11- When firms do not buy goods that have high level of taxes and customs. The make:

- a) Tax avoidance.
- b) Tax refund.
- c) Tax evasion.
- d) None of them.

12- Ahmed and his wife request to combine their incomes as one taxpayer. they will have university exemption for their son who study in University of Palestine (themselves):

- a) 12,000 NIS
- b) 6,000 NIS
- c) 24,000 NIS
- d) There is no exemption for university.

13- According to Palestinian tax law 8/2011, The adoption of Palestinian standard expenses amount should be:

- a) Not exceed (2%) of net income.
- b) Not exceed (2%) of gross income.
- c) More than (2%) of gross income.
- d) Not exceed (1%) of gross income.

14- A special court that interested in income tax issues is called.

- a) Trial and appellate courts.
- b) The income tax appeal court.
- c) The crime Court.
- d) Civil law courts.

15- The tax that firstly paid to government then collect from consumer is called:

- a) VAT.
- b) Purchase tax.
- c) Property tax.
- d) Income tax.

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Question Two:

(20 Marks)

1- Mr. Essam works in the Arab bank with monthly base salary 510 \$ and bonus addition high cost of living amounted 80% of base salary. Bonus addition for cash risk 3% of base salary monthly. His contribution of saving box with 5% of base salary, & social security contribution (pension) 27\$. Mr. Jehad get 13 salaries yearly (banking system).

Required: calculate the income tax according income tax law 17/2014 if you know that he is married + 4 (one of them study at IUG by himself, he lives in a rented housed amounted 1600 \$ per year. He has a new car a mounted 15000 \$. It was bought by a loan from Arab bank with interest 3% per year for 5 years.

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2- Waleed imported goods amounted 26,000 NIS, and paid 12,000 NIS as landing and other expenses. He paid 60% of cost as purchase tax, 25% as custom, and VAT is 16%.

Required: what are the goods total amount and total taxes paid?

3- What is Tax evasion? Mention 5 ways to fight tax evasion?

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4- Ahmed and Kareem established firm with equal percentage of capital. They provided income tax report for to tax department as the following:

Sales	300,000 NIS
Less: purchases	(80,000)
Gross profit	220,000
Rent exp.	30,000
Salaries	25,000
entertainment exp.	2000
House rent exp.	18,000
Total exp.	(75,000)
Taxable income	145,000

Required: using Palestinian income tax law 8/2011. Recalculate tax amount if you know that:

- 1- Partners Kareem is son of partner (Ahmed); his age is 27 years old.
- 2- Rent exp. Paid for 2 years (this year & next year).
- 3- 10,000 NIS of salaries paid for partner (Ahmed).
- 4- Kareem is married +2 under 18 years old.
- 5- Ahmed is married +3 one of them study at UP (not scholarship).

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Question Three:

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The following are some information for Jaber Co. for 4/2015: VAT (16%)

1. In 3/4 purchased by cash 4 fridges 427L amounted 3600 NIS for each, not include VAT from Hassan Company invoice # 64.
2. In 7/4 purchased 3 washing machine LG 7KG with price 1700 per unit, and 2 washing machine LG 8KG inch with price 2000 per unit. Prices not include VAT, invoice # 257.
3. In 7/4 sold 5 SONY LED TVs 32” with price 1600 includes VAT and 4 LED TVs 42” with price 3200 include VAT with cheque.
4. In 14/4 sold by cash 3 fridges with total value 12600 NIS include VAT.
5. In 26/4 bring back 1 fridges to Hassan Company and get sales return invoice # 6.
6. In 29/4 paid mobile expense invoice # 791 with amount 100 NIS include VAT and delayed to tax report 5/2015.
7. In 30/4 the Co. transfer some account receivable (AR) to be bad debt. There amounts were 3,500 NIS not including VAT.
8. In 30/4 sold 2 fans with price 150 NIS per unit include VAT by cash.

Required:

- 1- **Determine the VAT amounts which you should pay or return.**
- 2- **Record the entries for transactions.**

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End of Questions
Good Luck