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Name of examinee on certificate :

Customer name :

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<u>All questions relate to the tax year ending February 2016.</u>

1] A taxpayer contributes R35,000 in this tax year to a "tax-free interest" Retirement Savings Plan. Calculate the amount of tax that should be levied on the contributions that exceed the yearly contribution limit?
Answer : R

2] What portion of the contributions paid by the employer, to the employee's medical aid fund i.r.o. the employee, is taxable in the hands of the employee at salary source and on the IRP5?
A) Half of it
B) All of it
C) None of it
Answer:

3] Assume the total medical aid fund contributions on an IRP5 come to R90,000 a year. The employer pays R60,000 and the employee pays R30,000. How much of the employee's R30,000 share of contributions on the IRP5 are taxable in the hands of the employee?
A) All of the R30,000
B) Half of the R30,000
C) None of the R30,000
Answer:

4] The total contributions made to the medical aid fund for the year come to R80,000 and the contributions are split equally (50/50) between employer and employee. The employer paid R40,000 and the employee paid R40,000. Which of the following IRP5's has the correct codes?
A) Code 4474=R80,000 code 3810=R80,000 code 4005=R80,000
B) Code 4474=R40,000 code 3810=R40,000 code 4005=R40,000
C) Code 4474=R40,000 code 3810=R40,000 code 4005=R80,000
Answer :

5] Is an unemployed taxpayer, living off investment income, who paid his own medical aid fund contributions entitled to tax credits for beneficiaries on their assessment? (Y/N)
Answer :

6] How do medical tax credits affect the assessment?
A) Tax credits are deducted from taxable income
B) Tax credits reduce the amount of tax due on taxable income
Answer :

7] Assuming no other lump sums received previously by a taxpayer, how much of a R600,000 lump sum paid out by a Provident Fund, a Retirement Annuity policy or by a Pension Fund at normal retirement is tax-free in the 2016 tax year?
A) All of the R600,000 is tax-free
B) The first R500,000 is tax-free
C) The first R315,000 is tax-free
D) None of the R600,000 is tax free
Answer :

8] A 44 year-old taxpayer makes a code 3920 "pre-retirement" withdrawal of R100,000 from a Provident Fund in the 2016 tax year to fund a holiday. Assuming this is the first lump sum the taxpayer has ever taken or received in their life, how would this R100,000 be taxed?
A) The entire R100,000 would be taxed at marginal rates
B) The first R25,000 would be tax-free and the balance of R75,000 would be taxed at 18%
C) The first R500,000 is tax-free so there is no tax due on the lump sum
Answer :

9] A taxpayer retires from a Pension Fund in the 2016 tax year and receives a lump sum. The taxpayer also matures an R/A policy in the 2016 tax year. How are the lump sums taxed on the final assessment?
A) Separately
B) Added together and taxed as one lump sum
Answer :

10) Which of the following formulas does the employer use to work out the fringe benefit tax for the full use of a company car without a maintenance plan?
A) 2.5% of the car value per month
B) 3.5% of the car value per month
C) 4% of the car value per month
Answer :

11) What portion of the calculated fringe benefit amount, for the period of use of the company car, is added, as code 3802, to income to be taxed on the annual IRP5?
A) 80%
B) 100%
C) 3.5%
Answer :

All questions relate to the tax year ending February 2016.

12) The "use of company car" fringe benefit is designed to ensure that the taxpayer, with the full use of a company car, ends up paying fringe benefit tax on what portion of car use on the assessment?
A) Business use
B) Private use
C) Total of business use and private use
Answer :

13) SARS awards a taxpayer, who is given the full use of a company car, a claim against taxable income and the claim is calculated as follows:-
A) Fringe benefit amount multiplied by private distance divided by total distance
B) Fringe benefit amount multiplied by business distance divided by total distance
C) 3.5% of total distance
Answer :

14) In a case where an employee received the use of more than one company car from the same employer during the tax year (change of cars), how does SARS apportion the single code 3802 fringe benefit amount on the IRP5 in calculating claims for the multiple cars?
A) By using the car cost/values
B) By using the mileage
C) By using the days of use of the cars
Answer :

15) How much of a travel allowance paid to a taxpayer, for using his own car in the performance of his work, must appear on the IRP5 as code 3701?
A) 100%
B) 80%
C) 50%
Answer :

16) Which of the following codes for travel allowance amounts can you not claim against?
A) code 3701
B) code 3702
C) code 3703
Answer :

17) CGT is levied on which of the following amounts?
A) The current value of an asset
B) The selling price when you sell an asset
C) The profit you make when you sell or dispose of an asset
Answer :

All questions relate to the tax year ending February 2016

18) If an asset was bought before 1st October 2001, how much of the profit is liable for CGT?
A) All the profit
B) The portion of the profit attributable to the period after 1st October 2001
Answer :

19) How much is the CGT annual exclusion in the 2016 tax year?
A) R20,000
B) R30,000
C) R22,500
Answer :

20) A primary residence is bought in June 2012 for R1m and sold in December 2015 for R2.5m resulting in a profit of R1.5m. The owner of the residence enjoyed occupation of 90% of the residence as the owner rented out 10% of the property during the period of ownership. How much (if any) of the R1.5m profit on the primary residence would be liable for CGT (before the annual exclusion and inclusion percentage)?
Answer: