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Name of examinee on certificate :

Customer name   :

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                          :

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All questions relate to the tax year ending February 2018.

1) A taxpayer contributes R35,000 in this tax year to a "tax-free interest" Retirement Savings Plan. What tax is due?
A) Tax is levied at 40% on the interest earned on the amount over R33,000 contributed
B) Tax is levied at 40% on the contributions made in the year that exceed R33,000
Answer:

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

3) Is an self employed taxpayer who paid his own medical aid fund contributions entitled to tax credits for beneficiaries on their assessment? (Y/N)
Answer :

4) 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 :

5) Where a taxpayer earns dividends from an off-shore investment, although all of the dividend earnings must be declared, how much of the foreign dividend earnings does SARS actually add to normal income for tax?
A) All the foreign dividends earned less R3,700
B) 20% of the foreign dividends earned
C) 20/45 of the foreign dividends earned

6) How do the new retirement fund laws affect the taxpayer's tax to be deducted at salary source by an employer?
A) Contributions to Provident funds are not deductible.
B) A portion of contributions to Pension, Provident & R/A Funds may be deductible
C) Employer's and employee's contributions to R/Funds are taxable
Answer:

7) The deduction allowed by an employer, at salary source, for Retirement Fund contributions is:-
A) 15% of income from non-retirement funding sources
B) 7.5% of retirement funding income
C) 27.5% of remuneration income
Answer:

8) 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 2018 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 :

9) A 44 year-old taxpayer makes a code 3920 "pre-retirement" withdrawal of R100,000 from a Provident Fund in the 2018 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 :

10) A taxpayer received R100,000 from his pension fund when he changed jobs in 2015 and resigned from his pension fund. In the 2018 tax year the taxpayer decided to retire and matured his R/A and received a lump sum of R550,000. According to SARS's accumulative method of taxing lump sums, what would be the tax due on the R550,000 lump sum taken this tax year?
A) R27,000
B) R550,000
C) R525,000
Answer:

11) 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 :

12) What portion of the full 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 :

13) 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 :

14) In a case where an employer hired a car from AVIS and gave an employee the full use of the AVIS car. What would the fringe benefit amount be that is added to the employee's income?
A) 3.5% of the car value
B) The amount that the employer is charged by AVIS plus fuel paid by the employer
C) Nothing is added as a fringe benefit as it is not a company car
Answer:

15) How much of a full 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) A taxpayer makes a profit of R100,000 on a transaction in the 2018 tax year and the profit is liable for CGT. After the annual exclusion and after the inclusion calculation, how much of the R100,000 gain will be added to the rest of the taxpayer's normal income for tax?
A) R100,000
B) R60,000
C) R24,000
D) R40,000
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 :

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 for normal taxpayers in the 2018 tax year?
A) R40,000
B) R30,000
C) R22,500
Answer :

20) A primary residence is bought in June 2012 for R1m and sold in December 2017 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 before the inclusion percentage)?
Answer: