

**W1-2-60-1-6**

JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY

# **UNIVERSITY EXAMINATIONS 2014/2015**

SECOND YEAR SECOND SEMESTER EXAMINATIONS FOR THE DEGREE OF BACHELOR OF COMMERCE

**HBC 2211 : INTRODUCTION TO TAXATION**

**DATE: APRIL 2015 TIME: 2 HOURS**

**INSTRUCTIONS:**

**ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS**

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**QUESTION ONE [30 MARKS]**

1. List and briefly explain four factors that influence tax shifting in an economy [6 marks]
2. Outline four sources of revenue for a county government [6 marks]
3. Argue six cases against indirect taxes imposed in your county [6 marks]
4. Identify four ways in which an individual or firm could engage in tax avoidance [6 marks]
5. Explain the role of Kenya Revenue Authority [6 marks]

**QUESTION TWO [20 MARKS]**

1. Distinguish between single and multiple tax system [10 marks]
2. Explain four reasons why a county might prefer a multiple tax system over a single tax system [10 marks]
3. Briefly explain three factors that influence the extent of forward shifting of indirect taxes [10 marks]
4. Discuss four factors in favour of progressive taxes in your country [10 marks]

**QUESTION THREE**

Explain the meaning of the following terms as used in taxation

1. Tax planning
2. Tax avoidance
3. Tax evasion

**QUESTION FOUR**

Discuss in detail the characteristics of a good system