

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

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2017/2018**

**YEAR II SEMESTER II EXAMINATION FOR THE DIPLOMA IN BUSINESS ADMINSTRATION**

**HCB 0208: THEORY OF TAXATION**

**DATE: DECEMBER 2017 TIME: 1.5 HOURS**

**INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS.**

QUESTION ONE

a. Discuss five various forms of income chargeable to tax according to the act.

(10 marks)

b. Explain any four causes of tax evasion in Kenya. (8 marks)

c. Discus six items included by the income Tax Act as part of income of an employed person. (12 marks)

QUESTION TWO

a. Explain the following terms in taxation.

i. Withholding tax. (4 marks)

ii. Corporation tax. 4 marks)

iii. Value Added Tax. (4 marks)

iv. Deferred Taxation. (3 mark)

QUESTION THREE

a. In relation to Assessment for tax purposes, define three types of assessment.

(6 marks)

b. Discuss methods that may be used for recovery of unpaid tax. (9 marks)

QUESTION FOUR

a. Under the income Tax Act, outline 8 acts committed which can be presumed as being guilty of an offence. (8 marks)

b. For the purpose of tax, outline any seven goods subject to custom excise duties.

(7 marks)

QUESTION FIVE

a. Explain the following terms.

i. Tax shifting. (3 marks)

ii. Exempt supplies. (3 marks)

iii. ratable supplies (3 marks)

iv. Zero – rated supplier (3 marks)

v. Export processing zones. (3 marks)