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ACC 321 (549) 2:30-3:30 PM

2nd Exam Coverage: Multiple-choice Questions

1. Which of the following is INCORRECT about Value Added Taxes?
2. VAT is a direct tax
3. Vat is charges at every stage in the supply
4. Vat accelerates cash flow compared to a sales tax system
5. Some companies can recover VAT costs paid
6. Which of the following are correct about VAT?
7. Accelerates cash flow to government
8. Cheap to collect
9. Taxpayer does the collecting
10. All of the above
11. All of the following are exempt agricultural produce, except
12. Palay
13. Corn
14. Garlic
15. Tobacco
16. Which of the following is not considered as a pet?
17. Domestic animal
18. Livestock
19. Race horse
20. None of these
21. Which is subject to VAT when sold?
22. Seeds
23. Fingerlings
24. Feeds
25. None of these
26. This is the VAT due on or paid by a VAT-registered taxpayer on importation of goods or local purchase of goods, properties or services, including lease or use of property in the course of his trade pr business.
27. Output tax
28. Input Tax
29. Withholding Tax
30. None of these
31. Output tax shall be recognized by the seller and input tax shall accrue to the buyer at the time of the execution of the instrument of sale.
32. True
33. False
34. What is the tax basis of the output VAT on sales of real properties?
35. Selling price
36. Gross Receipts
37. Fair Value
38. Fair Value or gross selling price whichever is higher
39. This refers to the difference between the output tax and input taxwhere the output tax is greater than input tax. If there are tax credits, these will alsobe deducted to arrive at VAT payable.
40. Income tax
41. VAT payable
42. Excess input tax
43. Zero rated sale of goods
44. This shall refer to an individual suffering from restriction or different abilities, as a result of mental, physical or sensory impairment to perform an activity in a manner or within the range considered normal for human being (RR 1-2009).
45. Senior Citizen
46. Retailers
47. Person with disability
48. Elderly
49. This is computed as no. of units/other measurements x selling price of any specific value per unit x ad valorem tax rate.
50. Specific tax
51. Excise tax
52. Ad-valorem tax
53. None of these
54. This is a tax imposed wherein the tax is fixed at a certain rate regardless of the changes of the taxable base.
55. Regressive tax
56. Progressive tax
57. Income tax
58. Proportional tax
59. It is imposed not on the goods or services as such but on the privilege of selling or importing goods or rendering services for a fee, remuneration or consideration,
60. Excise tax
61. Value added tax
62. Consumption tax
63. Direct tax
64. These pertain to products which undergone simple processes of preparation or preservation for the market (freezing, drying, salting, broiling, roasting, smoking or stripping). These also include polished or husked rice, corn grits, raw cane, sugar and molasses, ordinary salt and copra.
65. Livestock
66. Original state
67. Poultry
68. None of these
69. This refers to those persons producing poultry, livestock or other agricultural and marine foods products in their original state for others.
70. Agricultural contract growers
71. Livestock or poultry growers
72. Farmers
73. None of these
74. Cipeda Department Store had the following sales for the last 12-month period:

Fertilizers, seeds, poultry, and hog feeds P 1,200,000

Fruits and vegetables 800,000

Groceries 800,000

Clothes, shoes, and other apparels 600,000

Furniture 400,000

Total P 3,800,000

How much are the vatable sales?

1. 2,000,000
2. 2,600,000
3. 3,800,000
4. 1,800,000
5. Assume that ABC Company, a VAT taxpayer, made a P100,000 vatable sales on account. How much is the invoice price?
6. 12,000
7. 10,714
8. 112,000
9. 100,000
10. Mr. Realtor, a real property, sold a commercial lot in June 2020. The following data relate to the sale, presumed to be exclusive of VAT:

Appraisal value P 4,500,000

Zonal Value 4,000,000

Assessor’s value 2,500,000

Selling price 3,800,000

How much is the output VAT?

1. 480,000
2. 456,000
3. 540,000
4. 300,000
5. Mr. Realtor, a real property, sold a commercial lot in June 2020. The following data relate to the sale, presumed to be inclusive of VAT:

Zonal Value P 4,000,000

Assessor’s Value 3,500,000

Selling Price 4,256,000

How much is the output VAT?

1. 480,000 c. 420,000
2. 456,000 d. 30,720
3. An importer wishes to withdraw its importation from the Bureau of Customs. The imported goods were subjected to 10% customs duty in the amount of P30,000 and other customs charges in the amount of P10,000. Compute for the value-added tax.
4. 36,000
5. 4,800
6. 40,800
7. 37,200
8. ABC Clinic, a VAT-registered entity, performed a prosthetic surgery on the legs of Abby, a person with disability. The total cost of medical operation inclusive of vat was P140,000. Being disabled person, Abby received 20% discount from ABC. How much is the total amount to be paid by Abby?
9. 125, 000
10. 140,000
11. 100,000
12. 115,000
13. Rhea, a veterinarian, operates a pet shop. The following were her sales and receipts during the month.

Sales of pets P 600,000

Sales of animal vitamins, medicines and feeds 500,000

Receipts from veterinary services 400,000

Compute the sales and receipts subject to business tax.

1. 1,000,000
2. 1,100,000
3. 1,500,000
4. 900,000
5. Mang Pandong owns a meat and fish outlet in the Baguio City public market. He had the following sales during the month:

Sale of live hogs P 120,000

Sale of frozen carcass and meat 240,000

Sale of fresh fishes 150,000

Sale of dried and/or smoked fish 80,000

How much is subject to business tax?

1. 0
2. 455,000
3. 590,000
4. 500,000
5. Rudy Milling Company offers a variety of milling services ranging from palay, corn, sugar cane, and gold ores. It had the following receipts during the month:

Palay and corn milling fees P 700,000

Sugar milling fees 300,000

Ore ball milling fees 600,000

Compute the receipts subject to business tax.

1. 1,000,000 c. 300,000
2. 700,000 d. 600,000
3. Cure Hospital, a private hospital, had the following receipts and sales during a month:

In-patient Revenue P 1,000,000

Out-patient Revenue 3,000,000

Laboratory Services 600,000

Sales of drugs and medicines from pharmacy 800,000

Total P 5,400,000

Compute the receipts subject to business tax.

1. 800,000
2. 5,400,000
3. 600,000
4. 4,000,000
5. NBS Bookstore reported the following sales during the month:

Sale of book inventories P 500,000

Sale of periodicals 300,000

Sale of school supplies 400,000

Commission income from book publishers 200,000

Compute for the income subject to business tax.

1. 1,400,000
2. 600,000
3. 1,000,000
4. 700,000
5. Agricorp is engaged in the farming and horticulture business. It earned the following during the quarter:

Sale of Palay and rice P 1,000,000

Sale of banana mushrooms 100,000

Sale of firewood and charcoal 150,000

Sale of orchids, flowers, and bonsai 80,000

How much is subject to VAT?

1. 230,000
2. 1,330,000
3. 1,100,000
4. 330,000
5. Monte Ray had the following sales in his store:

Sales of meat cuts P 400,000

Sales of hotdogs 100,000

Cup noodles 10,000

Canned sardines and beans 40,000

How much is subject to VAT?

1. 400,000
2. 500,000
3. 150,000
4. 50,000
5. Jet Bookstore sold the following:

Novels P 100,000

Textbooks 300,000

School supplies and notebooks 200,000

Office supplies 180,000

Advertising magazines 20,000

How much is subject to VAT?

1. 600,000
2. 800,000
3. 400,000
4. 780,000
5. Raymund, a veterinarian, operates a pet shop. The following were his sales and receipts during the month:

Sales of pets P 700,000

Sales of animal vitamins, medicines, and feeds 300,000

Receipts from veterinary services 200,000

Compute the sales and receipts subject to VAT.

1. 900,000
2. 500,000
3. 1,000,000
4. 1,200,000