

Default for ACC201

The default category for questions shared in context 'ACC201'.

Fill in the Blank Questions (FBQs)

FBQ1

The basis of tax assessment under trusts, settlements and estates is on _____.

Preceding year basis

1.00000000

0.00000000

FBQ2

The charge on gains made from the disposal of a chargeable asset is called _____.

Capital gains tax

1.00000000

0.00000000

0.00000000

FBQ3

_____ has the right of election in a company when there is a change in accounting date

The tax authority

1.00000000

0.00000000

FBQ4

Those expenses incurred by an employer in the provision of benefits to the employees are known as _____.

Benefits in kind

1.00000000

0.00000000

FBQ5

State if bad debts written off is an allowable deduction or a non allowable deduction

Allowable deduction

1.00000000

0.00000000

FBQ6

_____ assessment may be employed by the relevant tax authority in circumstances where the financial records are seen to be unreliable

Best of judgement

1.00000000

0.00000000

FBQ7

Tenement rates are collected by

Local Government

1.00000000

0.00000000

FBQ8

_____ income connotes trade, business, vocation and employment

Earned

1.00000000

0.00000000

FBQ9

_____ tax authority collects pools betting, lotteries and casino taxes

State Government

1.00000000

0.00000000

FBQ10

_____ refers to an agreement whereby a sum of money is set aside to make provision for another person

Settlement

1.00000000

0.00000000

FBQ11

A non resident individual is one who is not in Nigeria

Domiciled

1.00000000

0.00000000

FBQ12

If after the cessation of business any unrelieved losses are termed

Terminal losses

1.00000000

0.00000000

FBQ13

The tax relief for small companies or business or trade is applicable for the first years of the business or trade.

5

1.00000000

Five

1.00000000

FBQ14

The maximum allowable deduction for donations in ascertaining the profit of a company is percent of the profit before deducting the donation

10

1.00000000

Ten

1.00000000

FBQ15

If the net profit of Susu is N500,000, depreciation is N250,000 and loss on disposal is N150,000. What is the adjusted profit of Susu for the period?

N900,000

1.00000000

0.00000000

FBQ16

An ----- is an individual appointed by the will to manage the estate of the deceased

Executor

1.00000000

0.00000000

0.0000000

FBQ17

----- assessment is raised by the board when a taxpayer has been under assessed

Additional

1.0000000

0.0000000

FBQ18

Signboard and advertisement permit fees is collected by:

Local government

1.0000000

0.0000000

FBQ19

----- shall be granted to any settlement, trust or estate that the income includes any income which has suffered tax in Nigeria or outside Nigeria.

Double Taxation Relief

1.0000000

0.0000000

0.0000000

FBQ20

If the turnover of a small company is N900,000; the adjusted profit 443,000 and capital allowance is N297,500. Determine the tax liability of the company.

N29,100

1.0000000

0.0000000

FBQ21

Individuals other than those engaged in agricultural business can carry forward losses up ----- years of assessment

4

1.0000000

Four

1.0000000

FBQ22

----- are charges that do not relate to any income but allowed as deduction in arriving at the chargeable income of an individual tax payer

General charges

1.0000000

0.0000000

FBQ23

Non oil export under value added tax is an example of ----- goods and services

Zero-rated

1.0000000

0.0000000

FBQ24

----- are taxes on documents and not on transactions or persons

Stamp duties

1.00000000

0.00000000

FBQ25

When a business commences operation, the basis period for assessable profit in the first year of commencement is on ----- basis

Actual year

1.00000000

0.00000000

0.00000000

FBQ26

The acronym for the scheme in which tax is deducted from the income of an employee at source is:

PAYE

1.00000000

0.00000000

0.00000000

FBQ27

The list of taxable persons assessed to income tax under Personal income tax act is called -----

Assessment list

1.00000000

0.00000000

FBQ28

Value added tax rate is computed at -----of the value of all vatable goods and services

5 percent

1.00000000

Five percent

1.00000000

FBQ29

----- refers to income from all sources other than those gotten from employment business or reward for services rendered.

Unearned income

1.00000000

0.00000000

FBQ30

Where investment incomes are received net of withholding tax, they are termed ----

Franked investment income

1.00000000

0.00000000

0.00000000

FBQ31

----- VAT refers to the amount paid to the tax authorities which reflects the difference between the total VAT collected from customers on sale.

Output

1.00000000

0.00000000

FBQ32

----- VAT is made by a person or individual who shall reimburse the supplier the VAT on Vatable goods and services purchased by or supplied to him.

Input

1.00000000

0.00000000

FBQ33

In conversion of partnership into a limited liability company_____ rules should be applied.

Cessation

1.00000000

0.00000000

FBQ34

The basis period for the second year on commencement of business is profits of the first ----- months of trading.

12

1.00000000

Twelve

1.00000000

FBQ35

An individual who earns daily wages is an

Itinerant worker

1.00000000

0.00000000

0.00000000

FBQ36

One of the objectives/purposes/uses of taxation is to discourage the consumption of ----- products.

Dangerous products

1.00000000

Harmful products

1.00000000

FBQ37

Under the cannons/principles of taxation the principle of economy relates to ----- of administering tax.

Cost

1.00000000

0.00000000

0.00000000

FBQ38

_____ is levied on all companies at the rate of 2 percent of their assessable profits.

Tertiary Education Tax

1.00000000

1.00000000

FBQ39

----- implements the decisions of the Joint Tax Board (JTB) and

advices the JTB and the State local government on revenue matters.

State Joint Revenue Committee

1.00000000

SJRC

1.00000000

FBQ40

_____ advises the local government on tax related matters

Local government revenue committee

1.00000000

LGRC

1.00000000

FBQ41

Where there is a merger of partnerships, the older partnership, will not ----- business.

Cease

1.00000000

0.00000000

FBQ42

One disadvantage of indirect tax is that while direct taxes can be made progressive, indirect taxes are -----.

Regressive

1.00000000

0.00000000

FBQ43

----- assessment is normally used for non-resident companies.

Turnover

1.00000000

0.00000000

FBQ44

For the purpose of determining adjusted profit, deduction of revenue expenditure must be wholly, ----- necessarily and reasonably incurred.

Exclusively

1.00000000

0.00000000

0.00000000

FBQ45

----- advises Federal Inland Revenue Service (FIRS) on its duties in administering the VAT.

Value added tax technical committee

1.00000000

VAT Technical Committee

1.00000000

FBQ46

_____ makes recommendations, where appropriate to the Joint Tax Board on tax policies, tax reforms, tax legislation, tax treaties and exemption as may be required from time to time.

State Inland Revenue Service Board

1.00000000

SIRSB

1.00000000

0.0000000

FBQ47

If the price of a carton of Wine sold is N1,800 and VAT is levied at 5 percent, calculate the VAT payable on 20,000 cartons of wine.

N1,800,000

1.0000000

0.0000000

0.0000000

FBQ48

The individual that creates settlements a trust or settlement either directly or indirectly is a -----.

Settler

1.0000000

1.0000000

FBQ49

Musa earns dividend of N1,100,000 in 2017, N1,200,000 in 2018 and N1,500,000 in 2019. What is the amount of dividend assessable to tax in 2018 Tax year?

N1,100,000

1.0000000

0.0000000

0.0000000

FBQ50

The foreign currency portion of the ordinary share capital that is brought into Nigeria from abroad through approved government channels is called -----.

Imported equity capital

1.0000000

0.0000000

Multiple Choice Questions (MCQs)

MCQ1

From the following taxes, which is indirect tax?

Capital gains tax

0.0000000

Petroleum profit tax

0.0000000

Value added tax

1.0000000

Company income tax

0.0000000

MCQ2

If the assessable profit of a company is N3,000,000 and capital allowance is N500,000. What is the company's tax liability?

N900,000

0.0000000

N750,000

1.0000000

N2,300,000

0.00000000

N450,000

0.00000000

MCQ3

The assessable profit of a company is N900,000. Calculate the tertiary education tax

N10,000

0.00000000

N80,000

0.00000000

N180,000

0.00000000

N18,000

1.00000000

MCQ4

Mr. Best received gross dividend of N200,000 and N800,000 for 2018 and 2019 years of assessment respectively. Determine the unearned income for 2019 tax year.

N200,000

1.00000000

N800,000

0.00000000

N1,000,000

0.00000000

N400,00

0.00000000

MCQ5

.... is an example of deductions allowed from the profits of companies

General provisions for bad debts

0.00000000

Specific provision for bad debt

1.00000000

Depreciation

0.00000000

Capital repaid or withdrawn

0.00000000

MCQ6

Who has the right of election in a company on cessation of business?

The tax authority

1.00000000

The tax payer

0.00000000

Both the tax payer and the tax authority

0.00000000
The company

0.00000000
MCQ7
Where a person dies and leaves a valid will, the person died

A trustee

0.00000000
A legatee

0.00000000
Intestate

0.00000000
Testate

1.00000000
MCQ8
Donation made to one of the following research institutions are not allowable deductions

Christian Council of Nigeria

0.00000000
Christian Association of Nigeria

1.00000000
Islamic Education Trust

0.00000000
Boys Brigade of Nigeria

0.00000000
MCQ9
Which of the following is not needed in the computation of tax liability in a small company? :

Adjusted profit

0.00000000
Taxable profit

0.00000000
Capital allowance

0.00000000
Turnover

1.00000000
MCQ10
Which of the following is not a tax exempt income?

Life assurance premium

0.00000000
Gratuities

0.00000000
Dividend

1.00000000

National pension scheme

0.00000000

MCQ11

The provision of Personal income tax act (PITA) requires a penalty of percent of tax not deducted plus interest for failure to deduct tax

5

0.00000000

10

1.00000000

15

0.00000000

20

0.00000000

MCQ12

An obligation given in faith to one or more individuals to dispose property and apply the benefits in favour of the owners of the property refers to:

Intestate

0.00000000

An estate

0.00000000

Trust

1.00000000

Settlement

0.00000000

MCQ13

The imposition of tax, penalty and fines by legal authority can be referred to as :

Taxation

0.00000000

Subscription

0.00000000

Dues

0.00000000

Levy

1.00000000

MCQ14

Where the increase in income results in the increase of tax rate, it is called _____.

Proportional tax

0.00000000

Regressive tax

0.00000000

Progressive tax

1.00000000

Direct tax

0.00000000

MCQ15

The tax authority's consideration of a person's ability to pay tax is a function of the principle of _____

Equity

1.00000000

Convenience

0.00000000

Certainty

0.00000000

Simplicity

0.00000000

MCQ16

Personal income tax, capital gains tax and company income tax are all examples of :

Indirect tax

0.00000000

Direct tax

1.00000000

Progressive tax

0.00000000

Regressive tax

0.00000000

MCQ17

Monetary charge imposed by the government on persons, entities or property to yield revenue can be referred to as:

Subscription

0.00000000

Levy

0.00000000

Dues

0.00000000

Taxation

1.00000000

MCQ18

If a tax of N30 is imposed on a loaf of bread making a total of N90,000 for 3,000 loaves of bread sold by YumYum bakery. What type of tax is this?

Ad valorm

0.00000000

Direct tax

0.00000000

Specific tax

1.00000000

Indirect tax

0.00000000

MCQ19

Given computed income of N28,000,000; discretionary payments of N8,000,000; Specific payment of N18,000,000. What is the excess apportionment?

N2,000,000

1.00000000

N4,000,000

0.00000000

N8,000,000

0.00000000

N7,000,000

0.00000000

MCQ20

Which of the following is a tax exempt income?

Dividend

0.00000000

Gratuities

1.00000000

Rent

0.00000000

Capital gains

0.00000000

MCQ21

Donations made to one of the following research institutions are not allowable deductions.

Nigeria institute of oil Palm research

0.00000000

Nigeria institute of international trade

1.00000000

Nigeria council for medical research

0.00000000

Cocoa research institute of Nigeria

0.00000000

MCQ22

Legal expenses not allowed as deductions for the purpose of ascertaining the income of an individual include _____.

Retainers fees

0.00000000

General legal advisory services

0.00000000

Renewal of a short lease

0.00000000

Renewal of a long lease

1.00000000

MCQ23

The assessment of income from Trusts, settlements and estates is governed by the provisions of :

Personal income tax act (PITA)

1.00000000

Companies income tax act (CITA)

0.00000000

Trusts, settlements and estates act (TSEA)

0.00000000

Capital gains tax act (CGTA)

0.00000000

MCQ24

Minimum tax computation is not applicable to the following companies EXCEPT:

A company carrying on manufacturing business

1.00000000

A company carrying on agricultural trade or business

0.00000000

A company with at least 25 percent imported equity capital

0.00000000

A company within its first four calendar years of commencement of trade

0.00000000

MCQ25

Wizzy Nig. Ltd has been in business for some time now. In 2018, turnover was N950,000. Adjusted profit N780,000 and capital allowance N500,000. What is the Taxable profit?

N450,000

0.00000000

N500,000

0.00000000

N170,000

0.00000000

N280,000

1.00000000

MCQ26

Where turnover is N500,000 and below, minimum tax is the highest of any of the following EXCEPT_____

0.5 percent of net asset

0.00000000

0.5 percent of gross profit

0.00000000

0.25 percent of turnover for the year

0.00000000

0.5 percent of paid up share capital

1.00000000

MCQ27

If the total profit of a company is N10,000,000 and adjusted profit is N4,000,000. Calculate the Tertiary education tax for the relevant year

N200,000

0.00000000

N120,000

0.00000000

N80,000

1.00000000

N1,200,000

0.00000000

MCQ28

If the net profit as per account of Edo enterprises is N4,000,000. Depreciation is N800,000 and loss on disposal of non current assets is N300,000. What is the adjusted profit of the business for the period?

N3,900,000

0.00000000

N5,100,000

1.00000000

N3,700,000

0.00000000

N3,200,000

0.00000000

MCQ29

If the earned income of Alhaji Jigawa is N7,000,000 for 2019 tax year. His life assurance premium is N480,000 p.a; National pension scheme is N800,000; National health insurance scheme N1,200,000 and National housing fund contribution is N720,000. What is Alhaji Jigawa's total income?

N3,800,000

1.00000000

N1,400,000

0.00000000

N9,200,000

0.00000000

N920,000

0.00000000

MCQ30

Mrs. Yemisi is an employee of Noun Plc. Noun provided for her exclusive use of a Prado SUV which cost N14,000,000. Calculate the income derived by Mrs. Yemisi's use of the vehicle.

N1,400,000

0.00000000

N14,000,000

0.00000000

N280,000

0.00000000

N700,000

1.00000000

MCQ31

The following benefits to employees are exempted from tax EXCEPT_____.

Provision of meals in a canteen for all staff

0.00000000

Provision of uniforms

0.00000000

Provision of a generator for exclusive use of an employee

1.00000000

Expenses connected with the transfer of an employee

0.00000000

MCQ32

If the gross income of Mallam Sambo is N8,000,000. Determine his consolidated relief allowance

N200,000

0.00000000

N800,000

0.00000000

N1,200,000

0.00000000

N1,800,000

1.00000000

MCQ33

The chargeable income of Savvy is N500,000 for 2019 tax year. Calculate her personal income tax for the relevant tax year

Tax Table:

1st 300,000 is 7%

Next 300,000 is 11%

Next 500,000 is 15% etc

N75,000

0.00000000

N43,000

1.00000000

N21,000

0.00000000

N55,000

0.00000000

MCQ34

Great Limited commenced business on 1st June, 2018. His assessable profit to 31st May, 2019 is N4,800,000. Determine his assessable income for 2018 tax year.

N2,800,000

1.00000000

N2,400,000

0.00000000

N2,000,000

0.00000000

N4,800,000

0.00000000

MCQ35

On commencement of business, the basis period for the third year of assessment is on:

Actual year basis

0.00000000

Normal year basis

0.00000000

Abnormal year basis

0.00000000

Preceding year basis

1.00000000

MCQ36

The following are examples of indirect taxes EXCEPT:

Export duties

0.00000000

Excise duties

0.00000000

Capital gains tax

1.00000000

Value added tax

0.00000000

MCQ37

The penalty for failing to file returns according to the Personal Income Tax (Amendment) Act, 2011 for corporate organizations is -----.

N1,000,000

0.00000000

N200,000

0.00000000

N2,000,000

0.00000000

N500,000

1.00000000

MCQ38

Welfare funds are allowable under companies income tax Act but limited to the following institutions EXCEPT;

Nigerian Institute of Trypanosomiasis Research

1.00000000

Nigerian sports commission and its state associations

0.00000000

Musical Society of Nigeria

0.00000000

Rotary International (Polioplus programme)

0.00000000

MCQ39

----- is an example of services exempted from VAT

Baby products

0.00000000

Plays and performances conducted by educational learning institutions

1.00000000

Basic food items

0.00000000

All exports

0.00000000

MCQ40

When the net profit of ABC Ltd is N2,000,000 is arrived at after deducting Depreciation 800,000, General provision for bad debts 900,000, Repairs of Motor Vehicle 500,000 and adding profit on sale of non- current assets of 700,000. Calculate the adjusted profit.

N4,000,000

0.00000000

N4,400,000

0.00000000

N3,000,000

1.00000000

N3,900,000

0.00000000

MCQ41

A tax system in which each tax payer pays the same rate or percentage of his income as tax is ;

Progressive tax

0.00000000

Regressive tax

0.00000000

Proportional tax

1.00000000

None of the above

0.00000000

MCQ42

The following are tax exempt items EXCEPT:

National Pension Fund

0.00000000

Life Assurance Premium

0.00000000

Gratuities

0.00000000

Benefits in Kind

1.00000000

MCQ43

A normal accounting year includes the following EXCEPT_____.

Absolutely 12 Months

0.00000000

Commencement of business

1.00000000

Year end consistency

0.00000000

Continuity of basis period

0.00000000

MCQ44

The period for which the entity pays its tax on earned income is _____.

Basis Period

1.00000000

Assessment Year

0.00000000

Accounting period

0.00000000

Accounting Year

0.00000000

MCQ45

A change in the composition of partnership will arise on _____.

Death of a partner

0.00000000

Cessation of the partnership business

0.00000000

Retirement of a partner

1.00000000

Commencement of the partnership business

0.00000000

MCQ46

Where the objective of taxation is the redistribution of income from the well to do to the less privileged then the tax is _____.

Progressive

1.00000000

Regressive

0.00000000

Proportional

0.00000000

Equitable

0.00000000

MCQ47

In case of conversion of Partnership to a limited liability company, the
----- rules will apply.

Change in accounting in accounting date

0.00000000

Conversion rule

0.00000000

Commencement

0.00000000

Cessation

1.00000000

MCQ48

What is the benefit in kind of Shehu Usman if the employer provided him with an
asset which cost N2,500,000?

N250,000

0.00000000

N125,000

1.00000000

N50,000

0.00000000

N100,000

0.00000000

MCQ49

The incentive bonus available to a tax payer for early filing of self-assessment
returns is_____

10 % of tax payable

0.00000000

20% of tax payable

0.00000000

5% of tax payable

0.00000000

1% of tax payable

1.00000000

MCQ50

The actual year basis (AYB) of assessment on commencement of business starts
from _____.

From the day of commencement of that year to 31st December of that year

0.00000000

The day it changed business in that year

0.0000000

1st January to 31st December of that year

1.0000000

1st January to the day it ceased business

0.0000000