



**NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
SCHOOL OF MANAGEMENT SCIENCES
JANUARY/FEBRUARY 2013 EXAMINATION**

Course Code: BHM417 **Credit Unit:** 2
Course Title: Taxation
Time Allowed: 2 hours
Instructions: 1. Attempt question number one (1) and any other two (2).
30 marks
marks each.
2. Question number 1 is compulsory and carries while the other 2 questions carry 20
3. Present all your points in coherent and orderly manner.

1. Mr Christopher commenced business on 1st July 2009 and has the following profits adjusted for tax.

01/07/07 to 31/03/08	N280,000
01/04/08 to 31/03/09	N390,000
01/04/09 to 31/03/10	N370,000

 - a. You are required to compute the assessable income for the relevant years of assessment.
 - b. If the tax payer was to make an election, would you advise the tax payer to apply for election?
(30 marks)
2. State and explain the attributes of a good tax system (20 marks).
3. Explain the following terms:
 - i. Direct tax
 - ii. Indirect tax
 - iii. Proportional tax
 - iv. Progressive tax
 - v. Regressive tax(20 marks)
4.
 - i. What is the composition of the Join Tax Board? (10 marks).
 - ii. State five duties of the Joint Tax Board (10 marks).
5. Explain the rules that guide the determination of residence in Nigeria under the following condition:
 - i. Foreign employment
 - ii. Nigerian employment
 - iii. Pension

i. Unearned Income

(20 marks)