



# **NATIONAL OPEN UNIVERSITY OF NIGERIA**

**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS  
SCHOOL OF LAW**

**MARCH / APRIL 2014 EXAMINATION**

**COURSE CODE: LAW 433**

**COURSE TITLE: (TAXATION I)**

**TIME ALLOWED: 3 hrs**

**INSTRUCTION: ANSWER FOUR QUESTIONS IN ALL**

**QUESTION 1 IS COMPULSORY, AND ANY OTHER THREE QUESTIONS**

**All questions carry equal marks**

1. In recent times, government has noted with concern the increase in the incidence of tax avoidance and tax evasion especially among wealthy businessmen, contractors and self-employed professionals. Accordingly, government has spelt out certain transactions in respect of which tax clearance certificate must be produced.
  - a. Distinguish between tax avoidance and tax evasion.
  - b. State and explain the qualities of a good tax. (17½ marks)
- 2a. Discuss the following:
  - i. Direct and indirect taxation
  - ii. Regressive taxation
- b. Every person (citizens) in Nigeria is taxable. Do you agree? (17½ marks)
- 3a. The imposition of tax and its effectiveness in meeting its purpose are two different things. Explain
- b. What do you understand by Relevant Tax Authorities?
- c. What are the Relevant Tax Laws in Nigeria? (17½ marks)
4. Proportional, Progressive and Regressive taxation system are ways in which burden of tax is distinguished among the tax payers and they differ from each other. Discuss. (17½ marks)
- 5a. Why is it necessary to pay tax or to levy tax on the citizens of Nigeria.
- b. Tax system and operations are not in any way alien to the pre colonial era of the country Nigeria. Discuss. (17½ marks)
6. Critically examine the rule that govern the persons upon whom tax is chargeable and vividly discuss how their places of residence would be used to determine the payment of their tax. (17½ marks)

