

CERTIFICATE LEVEL EXAMINATION

December 2018

(90 minutes)

PRINCIPLES OF TAXATION

This assessment consists of **TWO** scenario based questions worth up to 20 marks and 40 short questions each worth 2 marks.

At least 55 marks are required to pass this assessment.

Numeric entry fields

- Enter whole numbers only
- Numbers may be entered with or without a thousand separator (use commas only)
- Negative numbers can be entered with a preceding minus sign or enclosed in brackets

You have 90 minutes to complete the assessment which includes any review period.

Tax Tables FA 2017/18

Resident companies On taxable income

Standard rate	22%
Manufacturing company rate	15%

Resident individuals

P0 –	P36,000	Nil
P36,001 –	P72,000	Nil + 5% of excess over 36 000
P72,001 –	P108,000	P1,800 + 12.5% of excess over 72 000
P108,001 –	P144,000	P6,300 + 18.75% of excess over 108 000
Over	P144,000	P13,050 + 25% of excess over 144 000

Non-resident individuals, trusts and estates

P0 –	P72,000	5% of every pula
P72,001 –	P108,000	P3,600 + 12.5% of excess over 72 000
P108,001 –	P144,000	P8,100 + 18.75% of excess over 108 000
Over	P144,000	P14,850 + 25% of excess over 144 000

TABLE IV – Applies to Net Aggregate Gains of Individuals (WEF 1 July 2013)

Taxable gain	tax payable
More than	% on excess
0 - 18 000	0
18 000 - 72 000	0 + 5% on excess over P18 000
72 000 - 108 000	2 700 + 12.5% on excess over P72 000
108 000 -144 000	7 200 + 18.75% on excess over P108 000
over 144 000	13 950 + 25% on excess over P144 000

Capital gains – companies

Net aggregate gains are taxable at the company rates of tax.

Basis of valuation of benefits

Individuals' vehicle benefit

	Vehicle cost	Employee benefit	Fuel cost adjustment
P1	- P50 000	P2 500	P1 000
P50 001	- P100 000	P5 000	P2 000
P100 001	- P150 000	P7 500	P3 000
P150 000	- P200 000	P10 000	P4 000

Benefit on the excess of P200 000 is 15% thereof with a maximum fuel cost adjustment of P5,000.

Individual's housing benefit:

If rated:

10% of the property's rateable value prorated by occupation and reduced by any contribution made by the employee.

If not rated:

Gross floor area x P250 per sq metre x 8%

The benefit is prorated by period of use and reduced by any contribution made by the employee.

Individual's furniture benefit

10% of furniture cost in excess of P15, 000 pro - rated by usage.

Capital allowances

The following rates are fixed by Commissioner General of BURS as fair and reasonable having regard to the expected useful economic lives of the assets listed.

Capital allowances

Furniture and fittings	10%
Office equipment and machinery	15%
Plant and machinery including farming	15%
Motor vehicles, boats and aircraft	25%
Heavy plant and machinery	25%
Computer hardware	25%
Office Equipment	15%
Off-the-shelf computer software	100%

Industrial and commercial buildings

Industrial building – initial allowance	25%
Industrial building – annual allowance	2.5%
Commercial building – annual allowance	2.5%

CAPITAL TRANSFER TAX RATES

	<i>Aggregate Taxable Value</i>	<i>Rate of Tax per cent</i>
1. Person (other company)	First P100 000	2 per cent
	Next P200 000	3 per cent
	Next P200 000	4 per cent
	Balance	5 per cent
2. Resident company		12.5 per cent
3. Non-resident company		12.5 per cent

COST OF LIVING INDEX – JULY 1982 to JUNE 2017

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1982	..	..	..	..	..	..	100.0	101.2	101.2	102.1	103.3	103.8
1983	104.1	104.8	105.5	106.6	108.3	108.4	109.0	110.2	110.2	110.7	111.7	112.3
1984	113.5	114.5	115.2	116.0	116.9	118.3	119.1	120.1	119.8	120.7	119.7	119.5
1985	119.9	120.7	122.0	124.1	126.6	128.6	130.1	129.8	131.1	131.5	131.8	132.0
1986	133.9	135.5	135.5	136.8	138.0	140.9	141.2	141.8	142.7	143.4	144.7	146.3
1987	147.4	148.5	148.9	151.9	153.6	154.1	154.9	156.6	156.7	157.1	157.5	158.1
1988	157.8	158.7	160.8	163.4	164.1	165.5	168.0	169.3	171.0	172.6	173.9	174.4
1989	176.9	178.0	180.1	182.7	184.1	186.2	187.3	188.7	190.2	191.1	191.5	194.2
1990	196.6	199.0	200.5	204.1	205.1	206.0	207.2	209.2	210.7	212.6	216.0	217.6
1991	220.5	221.4	223.5	225.8	227.3	229.0	232.0	234.2	237.2	239.5	242.5	244.9
1992	248.3	251.7	256.3	262.1	265.5	269.4	272.3	275.0	277.6	280.1	283.0	285.4
1993	291.0	293.1	295.8	301.1	303.1	306.0	311.6	313.5	315.0	317.6	320.1	321.5
1994	324.2	326.8	328.5	332.7	337.3	340.2	343.1	345.3	347.0	348.4	351.3	353.0
1995	357.9	361.0	364.9	368.6	370.5	374.9	377.8	381.6	384.3	386.0	387.9	391.3
1996	395.5	398.1	402.2	405.6	408.8	413.9	417.0	419.5	421.6	423.8	426.0	428.7
1997	431.6	435.5	439.7	443.6	448.7	451.2	454.1	454.9	457.5	459.7	460.9	461.9
1998	464.8	466.0	469.9	476.0	477.9	478.9	481.0	484.0	484.4	486.9	489.5	491.2
1999	495.1	499.7	504.3	507.5	509.2	513.3	514.3	517.7	521.1	523.5	524.0	525.2
2000	530.8	536.3	538.8	545.5	548.9	552.0	568.6	569.8	571.4	576	577.5	578.7
2001	581.4	582.1	587.2	598.9	596.9	598.6	601.3	603.0	605.4	608.5	610.2	611.0
2002	613.1	613.9	622.1	629.6	631.3	634.0	654.4	662.4	666.7	670.8	677.6	679.3
2003	683.2	689.0	692.2	701.4	705.8	715.0	714.5	698.0	707.0	715.9	717.9	718.9
2004	721.3	728.6	735.8	743.6	754.0	721.3	758.9	761.3	765.7	770.7	772.4	774.9
2005	779.2	781.7	783.8	789.4	801.5	813.2	821.2	834.8	842.3	857.1	859.7	863.1
2006	877.4	884.0	891.5	901.4	909.6	915.0	918.6	924.2	930.8	936.4	935.4	936.4
2007	942.9	948.5	949.5	957.7	968.1	974.5	988.5	991.2	994.1	1004.3	1007.2	1012.8
2008	1022.2	1034.4	1043.1	1064.7	1085.0	1115.1	1136.7	1140.6	1133.8	1135.5	1159.0	1151.2
2009	1152.7	1155.1	1165	1172.8	1176	1193.4	1204.8	1209.7	1213	1213.3	1217.2	1218.4
2010	1223.2	1225.4	1234.6	1256.2	1268.6	1285.3	1289.7	1290.6	1297.9	1300.6	1304.2	1309.1
2011	1320	1330.2	1338.9	1359.0	1373.6	1386.4	1380.6	1403.4	1409.0	1415.0	1424.0	1428.8
2012	1436.1	1440.0	1446.5	1460.4	1480.0	1487.3	1492.1	1496.7	1508.9	1515.4	1530.2	1534.8
2013	1544.3	1546.9	1555.4	1565.6	1570.2	1573.8	1576.7	1580.4	1584.3	1587.9	1593.5	1598.1
2014	1611.1	1618.6	1624.2	1637.2	1641.8	1646.5	1648.4	1653.0	1655.8	1662.4	1667.0	1663.3
2015	1670.7	1664.2	1669.8	1687.5	1690.3	1696.8	1698.7	1701.5	1704.2	1708.9	1709.8	1708.9
2016	1715.4	1714.5	1721.0	1735.9	1737.8	1741.5	1744.3	1747.1	1751.7	1755.2	1758.7	1760.5
2017	1769.2	1772.7	1781.5	1795.5	1799.0	1802.5						

Tsamodimo, aged 38, had received the following income during 2017/18:

- Rental income of P120,000 from which withholding tax of P12,000 was deducted at source.
- Interest income of P18,000 from an investment account held at Botswana Building Society. Withholding tax of P1,020 was deducted at source.
- Dividend income of P22,000 received from a local company. Withholding tax of P1,650 was deducted at source.

Tsamodimo has been employed by Kante Ltd since 2012. She received the following remuneration package in 2017/18:

- Salary P162,000 per year
- Subsidised meals at the staff canteen amounting to P7,800.
- School fees paid for Tsamodimo's daughter amounting to P60,000
- Provided with a house since 1 July 2017. The had a rateable value of P270,000.
- Use of a company car since 1 October 2017. Kante paid P228,000 for the car. Tsamodimo pays for all her private fuel.

Tsamodimo is also a farmer and during the tax year 2017/18, she incurred a farming loss of P116,000.

Using the standard format below, compute Tsamodimo's taxable income for 2017/18. You should enter a number in each relevant box. If an amount is not taxable enter a zero or a dash into the relevant box.

Complete all the boxes below

Computation of taxable income for tax year 2017/18:

	P
Employment income (W1)	<input type="text"/>
Rental income	<input type="text"/>
Interest income	<input type="text"/>
Dividend income	<input type="text"/>
Allowable farming loss	<input type="text"/>
Total Taxable Income	<input type="text"/>

Working 1 - Employment income

	P
Salary for the year	<input type="text"/>
Subsidised meals	<input type="text"/>
School fees for daughter	<input type="text"/>
Housing benefit	<input type="text"/>
Car benefit	<input type="text"/>
Chargeable employment income	<input type="text"/>

Tau Ltd, a trading company, prepares accounts to 31 October annually. The draft accounting profits for the year ended 31 October 2018 are P2,655,000. The following items have been added or deducted in arriving at the draft accounting profit:

	Note	P
Depreciation		340,000
Training expenditure	1	122,000
Donation	2	26,000
Consultancy fees	3	68,000
Profit on the disposal of plant	4	102,000
Bank deposit interest receivable		27,000

Notes

- (1) The training expenditure was approved by BURS and the amount charged to the accounts represents the cost incurred.
- (2) The donation was made to a government health facility.
- (3) Consultancy fees were paid to a local marketing company.
- (4) The plant was sold for P220,000 when its carrying amount was P118,000 and its tax written down value P82,000.

In addition, the following items have not yet been included in the accounts:

- The managing director was provided with a car since January 2014. The car had cost P380,000 and is used 20% for private purposes.
- The company purchased computer equipment during the year ended 31 October 2018 costing P31,000, which included the preloaded software at a cost P11,000.

Using the standard format below, compute Tau Ltd's taxable total income for the year ended 31 October 2018. You should enter a number in the relevant box. If an amount is not taxable or no adjustment is required you must enter a zero or a dash into the relevant box.

Computation of Tau Ltd's taxable total income fye 31/10/2018:		
		P
Accounting profit		
Depreciation		
Training expenditure		
Donation		
Consultancy fees		
Profit on disposal of plant		
Balancing charge / (allowance) (W1)		
Bank interest		
Capital allowances (W2)		
Total taxable income		
Working 1 - Balancing charge/ allowance on plant		P
ITWD brought forward		
Sales proceeds		
Balancing charge		
Working 2 - Computation of Capital allowances	Car	Computer
	P	P
Cost		
Annual allowances at 25%		
Total Annual Allowances		

1. Which one of the following is not the purpose of taxation?

- a) To redistribute the national wealth
 - b) To influence the economic activities of the country
 - c) To provide statistics of income earners in the country
 - d) To finance public sector expenditure
-

2. Which one of the following administrative functions is not the responsibility of BURS?

- a) Issuing tax returns to taxpayers annually
 - b) Refunding taxpayers who have overpaid their taxes.
 - c) Auditing those suspected of evading tax
 - d) Guiding taxpayers on how to increase their profits
-

3. The canon of convenience implies that

- a) The taxpayer should pay tax when he/she wants to pay
 - b) Tax should be collected when BURS has raised an assessment
 - c) Tax should be collected as close as possible as at the time that the taxpayer has earned the income
 - d) Tax should be collected every month every taxpayer
-

4. Mbappe received the following income during the tax year 2017/18:

Which one of the following income is taxable?

- a) Interest from Botswana Savings Bank
 - b) Receipt in consideration of an injury resulting from an accident at work
 - c) Interest income from investment in subscription shares of Botswana Building Society
 - d) Debenture interest received from a local company
-

5. Bosisi, a trader, had the following income for the tax year 2017/18:

Trading income	P208,000
Chargeable gains	P52,000
Bank deposit interest	P12,000

What is the maximum contribution that Bosisi can make to an approved pension fund?

P _____

6. Pelaelo had the following income for the tax year 2017/18:

	P
Employment income	130,000
Trading loss	(240,000)
Rental income	120,000
Farming income	110,000

What is Pelaelo's taxable income for 2017/18:

P _____

7. Which one of the following benefit in kind is taxable?

- a) Housing benefit for an employee who earns P36,000 per annum
 - b) Car kilometreage
 - c) Subsistence allowance
 - d) Entertainment allowance
-

8. Thato works for BDCC Ltd. On 1 October 2017, he was provided with a company house in Tlokweng. The house had cost P485,000 and had a fair market value of P720,000.

What is the housing benefit in kind for the tax year 2017/18?

P _____

9. Which of the following situation would not give rise to trading?

- a) Disposal of an asset that had a readily available market at a profit.
 - b) Disposal of asset after it was modified to become saleable prior to disposal.
 - c) Disposal of an asset which was owned for a very short period of time.
 - d) Disposal of an asset due to the need to sort out financial problems.
-

10. Kesilwe entered in to a 20 year lease and paid P120,000 on 1 October 2012.

The lease agreement required Kesilwe to construct a warehouse. The warehouse was completed on 1 October 2017 at a cost of P240,000.

What's the total allowable expense for Kesilwe relating to the lease?

P _____

11. Which one of the following is not an allowable deduction for tax?

- a) Legal expenses incurred in respect of collecting trade debts.
 - b) Cost of replacing utensils.
 - c) Interest on loan acquired to buy shares in another company.
 - d) Increase in provision for specific trade bad debts.
-

12. Morake, a farmer, completed the construction of 2 farm houses on 1 July 2017 for his employees. The houses cost P42,000 each.

What are the capital allowances, if any, that are deductible for the tax year ended 30 June 2018 in respect of the two houses?

P _____

13. Zuma, a South African resident, won a tender to build a clinic in Gaborone, commencing on 1 July 2017. On 1 January 2018, Zuma purchased a second hand truck for business use. The truck cost P190,000.

The capital allowances on the truck for the year ended 30 June 2018:

- a) P47,500
 - b) P23,750
 - c) P43,750
 - d) P28,500
-

The following scenario is relevant for only Questions 14 and 15:

Pule Ltd completed the construction of an industrial building on 1 July 2009 at a cost of P480,000.

Pule Ltd prepares accounts to 30 June annually.

Pule sold the industrial building on 1 September 2017 for P360,000.

14. The annual allowances in respect of the industrial building for the tax year 2017/18 were:

- a) P12,000
- b) P132,000
- c) P120,000
- d) P0

15. The balancing charge or allowance on the disposal of the industrial building was:

- a) P96,000 balancing charge
- b) P228,000 balancing charge
- c) P12,000 balancing allowance
- d) P120,000 balancing allowance

16. CCP Ltd purchased a second hand Audi car for P348,000 on 1 January 2015.

On 1 June 2018, CCP Ltd sold the Audi car for P230,000.

CCP Ltd prepares accounts to 31 December annually.

What is the balancing charge or allowance on the disposal of the Audi car?

- a) P186,250
 - b) P230,000
 - c) P43,750
 - d) P131,500
-

17. A farmer, Modikela, incurred the some capital expenditure during the year ended 30 June 2018:

Which of one of the following expenditure below is not 100% deductible?

- a) Prevention of soil erosion
 - b) Construction of dipping tanks
 - c) Construction of warehouse for storing the grains
 - d) Erection of fences, yards and crushes
-

18. Which one of the following is an exempt for capital gains tax?

- a) An expensive painting owned by a company
 - b) An expensive painting owned by an individual
 - c) Shares owned in a private company
 - d) Debentures owned in a private company
-

19. Which one of the following is a not zero rated supply for VAT?

- a) Exports
 - b) Supply of condoms
 - c) Supply of tswana beans
 - d) Supply of electricity
-

20. Gosego commenced business on 1 January 2018 and prepared accounts to 30 September 2018.

Gosego purchased a second hand truck on 1 April 2018 for P210,000.

The capital allowances on the truck for the nine months to 30 September 2018

P_____

21. Rankaga Ltd had the following capital gains and losses for the tax year 2017/18:

	P
Chargeable gain on disposal of shares	280,000
Loss on disposal of a commercial building	(40,000)

In addition, Rankaga Ltd also had unrelieved capital losses in the previous two years:

	P
2016/17 Capital losses brought forward	120,000
2015/16 Capital losses brought forward	60,000

What is the net chargeable gain for Rankaga for the tax year 2017/18:

- a) P240,000
- b) P120,000
- c) P100,000
- d) P60,000

22. Nametso commenced a tax office on the basis that Tebogo, her cousin, would transfer her business's accounting and tax affairs to Nametso in 2015. Since then, Nametso has wholly been responsible for Tebogo's accounting and tax affairs. Nametso draws 95% of her income from Tebogo.

Which ONE of the following options correctly identify the types of threat Roger is experiencing according to the Code of Ethics.

- a) Self-interest threat
 - b) Self-review threat
 - c) Advocacy threat
 - d) Familiarity threat
-

23. Your firm has responded to an advert for consultancy work. Your firm has been informed that your client, Madiba, has also applied for the same consultancy work. It is clear that the applications have created a conflict of interest that cannot reasonably be mitigated.

According to the Code of Ethics, select which of the following would be an acceptable course of action for your firm?

- a) Inform Madiba of the conflict and notify him that your firm is ceasing to act for him
- b) Inform Madiba of the conflict and obtain his written consent to continue to act for him
- c) Inform Madiba of the conflict and continue to act for him
- d) Continue to act for Madiba and keep the conflict confidential

24. Select which ONE of the following correctly identifies the period when an assessment is deemed to be final if there was the tax return was not submitted:

- a. Two years after the end of the tax year to which the return relates.
- b. Four years after the end of the tax year to which the return relates
- c. Eight years after the end of the tax year to which the return relates.
- d. Never expires.

25. MBB Ltd and Associates is a management firm resident in Botswana. It is registered for VAT and provides a range of consultancy services to a wide range of local customers.

Its sales (or supplies) for the month ended 31 October 2018, excluding VAT, were made to following customers:

Non-VAT registered customers	P170,000
Botswana Government	P330,000
VAT registered customers	P1,400,000

What is the output chargeable for the month of October 2018?

- a) P188,400
 - b) P228,000
 - c) P39,600
 - d) P20,400
-

26. Galeboe, a VAT registered trader, took a TV from the business for her personal use. The TV had cost P8,400, including VAT, and a fair market value of P13,440.

What is the output VAT chargeable on the withdrawal of the TV from the business?

- a) P900.00
 - b) P1,440.00
 - c) P1,612.80
 - d) P1,008.00
-

27. Select which ONE of the following statements about VAT is true.

- a) VAT is calculated on the invoice amount less discounts given whether or not the customer takes the discount.
 - b) A transfer of goods, on which input VAT was claimed, to an employee is taxable supply.
 - c) The tax point for a supply of services occurs when payment is made.
 - d) A supply of services by an employee to an employer is a taxable supply.
-

28. Select which ONE of the following statements about VAT is true.

- a) A trader who makes only exempt supplies may register for VAT
 - b) A trader making taxable supplies can only register for VAT once taxable supplies exceed the VAT registration threshold of P1,000,000 in a period 12 months.
 - c) VAT return is due for submission by 30th following the end of the tax period.
 - d) VAT is charged on zero rated supplies at 0%.
-

29. SK Ltd is a VAT registered company that only makes standard rated supplies. SK Ltd is not in the entertainment business.

Select the extent to which the input tax is recoverable on the following VAT-inclusive costs incurred by SK Ltd.

P18,000 for hotel accommodation paid for the employees sponsored for a business workshop out of town.

- a) Fully recoverable
- b) Partially recoverable
- c) Not recoverable

Purchase of a refrigerator for P21,200. The refrigerator is used for business purposes (i.e. for refreshments in the boardroom)

- d) Fully recoverable
- e) Partially recoverable
- f) Not recoverable

30. A VAT trader is required to include some details in a tax invoice. The following details are included in a tax invoice.

- i. the words "tax invoice" in a prominent place;
- ii. the name, address, and VAT registration number of the registered person making the supply;
- iii. a description of the goods or services supplied;
- iv. the quantity or volume of the goods or services supplied; and
- v. the total amount of the tax charged, the consideration for the supply, and the consideration including tax.

Which of the above are required details are required to be included on a tax invoice?

- a) i. and ii. Only
 - b) i., ii. and iii. Only
 - c) i., ii., iii. and iv. Only
 - d) i., ii., iii., iv., and v. only
-

31. Serowe Ltd was compulsorily required to register for VAT by end of October 2018. However it did not register for VAT immediately. In November Serowe Ltd made a taxable supply of P12,544 to Oodi Ltd without charging VAT.

How much output tax is chargeable and who should pay it?

- a) P1,505.28 and payable by Serowe Ltd
- b) P1,344.00 and payable by Serowe Ltd
- c) P1,505,28 and payable by Oodi Ltd
- d) P1,344.00 and payable by Oodi Ltd

32. Lobatse Ltd is a Botswana resident trading company that made various disposals during the year ended 30 November 2018.

Select how the resulting gains or losses should be treated in the company tax computation of Lobatse Ltd for the year ended 30 November 2018.

Gain on the disposal of shares in a public company.

- a) Chargeable gain
- b) Exempt
- c) Allowable capital loss

Gain of P86,000 on the sale of an investment property.

- d) Chargeable gain
- e) Exempt
- f) Allowable capital loss

33. Moatlodi and Tshego have been in partnership for many years. The partnership agreement allocates partners' interest at 5% pa on capital invested. The balance of any profits is shared in the ratio 2:3.

On 30 June 2018 Moatlodi's capital account had a balance of P350,000 and Tshego's balance was P230,000. For the year ended 30 June 2018 the partnership had a taxable income of P498,000.

What is Moatlodi's assessable trading profits for 2017/18.

P _____

34. Reneilwe purchased a residential property in July 2008. The residential property cost P400,000 and he paid solicitor's fees of P10,000 relating to the purchase.

During 2018 he spent P52,000 on a garage for the property and P9,800 on repairs to the plaster work when there was a flood. Reneilwe anticipates selling the house within the next few months.

The total allowable expenditure on the disposal of the residential property will be

- a) P400,000
- b) P410,000
- c) P462,000
- d) P471,800

35. Walbon Ltd, a manufacturing company which is registered for VAT, purchased a truck for business use. The breakdown of the cost was as follows:

	P
Cost of truck	289,000
VAT at 12%	34,680
Vehicle insurance	14,450

Total	338,130

What amount should be included in the capital allowance computation as the acquisition cost of this truck?

- a) P289,000
- b) P323,680
- c) P303,450
- d) P338,130

36. Tumelo purchased the following shares in Tlou Ltd:

January 2010	Purchased 4,500 shares for P9,000
June 2012	Bonus issue of one 2 for 5
Dec 2014	Sold 4,000 shares for P20,000.

The chargeable gain or loss arising on the disposal in December 2014 will be

P _____

37. For the year ended 30 September 2018, Pula Ltd has taxable farming income of P1,200,000 excluding the following two capital expenditures incurred during the year:

- Grain silos at a cost of P250,000
- Toyota car at a cost of P220,000 for the farm manager

What is Pula Ltd's total taxable income for the year ended 30 September 2018?

- a) P1,200,000
 - b) P950,000
 - c) P895,000
 - d) P906,250
-

38. Serena Ltd disposed of an office lot for P3.5 million on 15 June 2017. Serena Ltd had acquired the office block on 1 June 2011 for P1,200,000. Legal fees paid on the acquisition was P34,000.

What is Serena Ltd's chargeable gain in respect of the disposal of the office block for capital gains tax purposes?

P _____

39. ABB Ltd is in the business of landscaping. On 11 November 2018, ABB Ltd completed landscaping work for a client. The client is not connected to ABB Ltd. On 15 November 2018, ABB Ltd issued the invoice for the work done. The client received the invoice on 17 November 2018. ABB Ltd received payment for the work done on 3 December 2018.

Select which of the following options correctly identifies the tax point of the supply.

- a) 11 November 2018
 - b) 15 November 2018
 - c) 17 November 2018
 - d) 3 December 2018
-

40. On 27 June 2018, Tumelo sold an immovable property which resulted in a chargeable gain of P160,000. This was her only capital disposal.

Additionally, Tumelo has taxable income of P80,000 for the tax year 2017/18.

Tumelo's total tax liability for the tax year 2017/18 is:

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