

REQUIRED:

QUESTION 1

(TOTAL 40 MARKS)

1. Write an e-mail to the trustees of the trust where you explain whether or not the Black Family Trust will qualify as a “special trust”. (3)

Communication skills: Presentation and layout (1)

2. Calculate the taxable income (excluding capital gains) of Suné Black for the 2019 year of assessment. For this part ONLY – assume that Mark Black is a South African resident. (10)
3. Calculate with reference to legislation the South African normal tax due and withholding tax payable by Mark Black for the 2019 year of assessment. (20)
4. Discuss whether the creation of the trust by Suné Black will represent an ‘impermissible avoidance arrangement’. Assume that the transaction is not in a business context. (6)

Adapted – North West University

QUESTION 2

(TOTAL 30 MARKS)

PART A

1. Explain to William Mokoena which amount would be his “basic amount” for determining his second provisional tax payment for the 2019 year of assessment. (3)
2. Calculate with reasons William Mokoena’s second provisional tax payment for the 2019 year of assessment. You may assume that his actual taxable income amounted to R761 700 (correctly calculated) for the 2019 year of assessment and that a first provisional tax payment of R20 000 was made. William wants to avoid paying penalties for understatement. (9)

PART B

1. Discuss with reference legislation whether William can claim an assessed loss from his sole trader business against his employer related income. (2)
2. Discuss with reference to legislation whether William is allowed to withhold the payment of the additional tax in terms of the additional assessment with regards to his 2018 year of assessment, until his objection against the additional assessment has been finalised. (3)

PART C

1. Briefly discuss and calculate with reference to legislation the South African taxable income of Petal for the 2019 year of assessment. (10)
2. Calculate with reasons the withholding tax that will be withheld from amounts that was received by Petal for the 2019 year of assessment. (3)

Adapted – North West University

QUESTION 3**(TOTAL 15 MARKS)****PART A**

Discuss supported by calculations the VAT consequences of the transaction for Aqua-Rico for the VAT period ending 28 February 2019. Include the time and value of supply in your discussion. (7)

PART B

Discuss with reference to case law whether or not the receipts as listed should be included in Aqua-Rico's gross income for the 2019 year of assessment. (8)

Adapted – North West University

QUESTION 4**(15 MARKS)**

Calculate with reference to legislation the effect of each transaction on taxable income of Lucky Woof (Pty) Ltd for the 2019 year of assessment.

Adapted – North West University

QUESTION 5**(TOTAL 25 MARKS)**

1. Calculate all the taxes on the donation to Mr Kekana's sister. (8)
2. Calculate the estate duty payable in respect of Mr Kenana's estate (no income tax calculations necessary). (17)