

# INSTITUTE OF CHARTERED ACCOUNTANTS (GHANA)



MAY 2011 EXAMINATIONS  
(PROFESSIONAL)

PART 4

ADVANCED TAXATION & FISCAL POLICY  
(Paper 4.4)

Attempt ALL Questions

TIME ALLOWED:

Reading & Planning - 15 Minutes  
Workings - 3 Hours

## QUESTION 1

Kwesi Orlando has been the Director of Operations of Fine Arts Limited since July 2004 on a consolidated salary of GHS45,000 per annum. He contributes 5% of his salary to the Social Security Scheme.

In his returns for the year of assessment 2009, he declared gross interest of GHS3,000 from his investments in the United Kingdom. Tax deducted was GHS300.

### *Required:*

- a. Compute Mr. Orlando's net tax liability in Ghana. *(16 arks)*
- b. Apart from the United Kingdom, mention the other countries with which Ghana has double taxation agreements. *(4 marks)*

**(Total: 20 marks)**

### Rates of Tax:

240	free		
240	...	...	5%
1,200	...	...	10%
7,920	...	...	17.5%
Exceeding 9,600	...	...	25%

## QUESTION 2

Sakato Insurance Company Limited has been in business for several years making accounts to 31<sup>st</sup> March each year.

Below are extracts from the accounts for the year ended 31<sup>st</sup> March, 2009.

