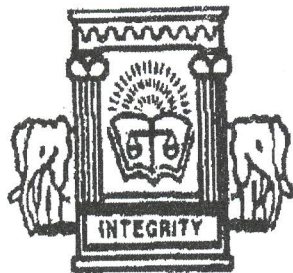


# INSTITUTE OF CHARTERED ACCOUNTANTS (GHANA)



MAY 2011 EXAMINATIONS  
(PROFESSIONAL)

PART 2

PRINCIPLES AND PRACTICE OF TAXATION  
(Paper 2.4)

Attempt ALL Questions

TIME ALLOWED:

Reading & Planning - 15 Minutes  
Workings - 3 Hours

## QUESTION 1

Write brief notes on the following:

- a. Realization
- b. Consideration received under Capital Gains Tax
- c. Deregistration
- d. Zero-Rated Supply

20 marks

## QUESTION 2

Janus Obimpeh was appointed Liaison Officer of Data Line Limited on a consolidated salary of GHS21,600 per annum with effect from 1<sup>st</sup> July, 2008 and posted to Tamale. He was paid a transfer grant of GHS2,500 on 1 July 2008.

His other entitlements included the following:

- |      |                          |                  |
|------|--------------------------|------------------|
| i.   | Responsibility Allowance | GHS500 per month |
| ii.  | Overseers Allowance      | GHS700 per month |
| iii. | Inconvenience Allowance  | GHS500 per month |

He contributed 5% of his salary to the Social Security Scheme.

The Tamale office of Data Line Limited provided him with free accommodation, a car and a driver. The Accra office also contributed GHS51,000 per annum towards his children's education at Prempeh College.

While at Tamale, Mr. Obimpeh took a life assurance policy with Freeman Insurance Company of Sierra Leone. He paid a monthly premium of USD100 for a capital sum of USD6,000.

Mr. Obimpeh's aged mother, wife and two children live at his residence at Kwadaso in Kumasi. He is solely responsible for them. The guest house, a two-bedroom self-contained residential facility at his residence, has been rented to Mr. & Mrs. Barrow at GHS500 per month for the 2009 year of assessment.

### **Required:**

Compute Mr. Obimpeh's chargeable income, if any, for the year of assessment 2009. State any basic tax principles underlying your computation.

20 Marks

