

# ACCA Certificate in Taxation (RQF Level 4)

FTX (FA2024)

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## **Foundations in Taxation**

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EXAM KIT

# INTRODUCTION

This new edition of the ACCA Foundation Exam Kit is packed with exam-type questions, to help you to prepare for your exam successfully.

- Questions are grouped by syllabus topics and provide extensive coverage of all syllabus areas.
- All questions are of exam standard and format – this enables you to master the exam techniques.

Past exam questions have been incorporated into the main body of questions within the kit and are grouped by syllabus area.

## Key features in this edition

In addition to providing a wide ranging bank of examination style questions, we have also included in this edition:

- Exam specific information and advice on exam technique.
- Our recommended approach to make your revision for this particular subject as effective as possible. This includes step by step guidance on how best to use our Kaplan material (study text, pocket notes and exam kit) at this stage in your studies.
- An increased number of enhanced tutorial answers packed with specific key answer tips, technical tutorial notes and examination technique tips from our experienced tutors.

You will find a wealth of other resources to help you with your studies on the following sites:

[www.MyKaplan.co.uk](http://www.MyKaplan.co.uk)

[www.accaglobal.com/student](http://www.accaglobal.com/student)

## ANSWER ENHANCEMENTS

We have added the following enhancements to the answers in this exam kit:



### Key answer tips

All long form answers include key answer tips to help your understanding of each question.



### Tutorial note

All long form and many multiple choice answers include tutorial notes to explain some of the technical points in more detail.

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Our Quality Coordinator will work with our technical team to verify the error and take action to ensure it is corrected in future editions.

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# EXAM SPECIFIC INFORMATION

## THE EXAM

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### FORMAT OF THE EXAM

The examination is a two-hour computer-based exam.

	<b>Number of marks</b>
<b>Section A</b>	
15 Multiple choice questions worth 2 marks each	30
<b>Section B</b>	
Eight compulsory questions	
Two questions (15 marks each)	30
Two questions (10 marks each)	20
Four questions (5 marks each)	20
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One of the 15-mark questions will focus on income tax.

The other 15-mark question will focus on corporation tax.

The remaining questions will examine topics from any area of the syllabus, and this means there will be a wide coverage of the syllabus in every examination. It is therefore vital to study the entire syllabus and not just the basic principles.

Total time allowed: 2 hours

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### PASS MARK

The pass mark is 50%.

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### Remote invigilated exams

In certain geographical areas it may be possible for you to take your exam remotely. This option, which is subject to strict conditions, can offer increased flexibility and convenience under certain circumstances. Further guidance, including the detailed requirements and conditions for taking the exam by this method, is contained on ACCA's website at:

<https://www.accaglobal.com/an/en/student/exam-entry-and-administration/about-our-exams/remote-exams/remote-session-exams.html>.

# TIME LIMITS AND ELECTION DATES

Note that this information is NOT supplied in your examination but is included here to help you with your revision.

## Income tax

Election/claim	Time limit	For 2024/25
Agree the amount of trading losses to carry forward	4 years from the end of the tax year in which the loss arose	5 April 2029
Current and prior year set-off of trading losses against total income	12 months from 31 January following the end of the tax year in which the loss arose	31 January 2027

## National Insurance Contributions

Election/claim	Time limit	For 2024/25
Class 1 employee and employer's – pay days	17 days after the end of each tax month under PAYE system (14 days if not paid electronically)	22nd of each month (19th if not paid electronically)
Class 1A NICs – pay day	22 July following end of tax year (19 July if not paid electronically)	22 July 2025 (19 July 2025 if not paid electronically)
Class 4 NICs – pay days	Paid under self-assessment with income tax	See self-assessment

## Capital gains tax

Election/claim	Time limit	For 2024/25
Replacement of business asset relief for individuals (Rollover relief)	4 years from the end of the tax year: – in which the disposal occurred or – the replacement asset was acquired whichever is later New asset to be purchased within the period one year before and three years after the disposal of old asset	5 April 2029 for 2024/25 sale and acquisition
Gift holdover relief of gain on the gift of a business asset (Gift relief)	4 years from the end of the tax year in which the disposal occurred	5 April 2029
Business asset disposal relief	12 months from 31 January following the end of the tax year in which the disposal occurred	31 January 2027

## Section 1

# MULTIPLE CHOICE QUESTIONS

### INTRODUCTION TO THE UK TAX SYSTEM

**1** *December 2020 Section A question*

**Which of the following are direct taxes?**

- 1 Corporation tax
- 2 Capital gains tax
- 3 Income tax
- 4 Value added tax
  
- A 1, 2, 3 and 4
- B 1, 2 and 3 only
- C 2 and 3 only
- D 1 and 4 only

**(2 marks)**

**2** **Which of the following statements are correct?**

- 1 Companies pay corporation tax on their chargeable gains.
- 2 HMRC statements of practice have legal force.
- 3 National insurance contributions are a revenue tax.
  
- A 1 and 2 only
- B 1 and 3 only
- C 2 and 3 only
- D All of them

**(2 marks)**

**3** **Which of the following is not a duty of HMRC?**

- A Issue notices to file tax returns
- B Collect taxes
- C Examine returns and accounts of individuals, businesses and companies
- D Pass the annual Finance Act

**(2 marks)**

**4 Which of the following statements are not correct?**

- 1 If a taxpayer disagrees with a decision made by HMRC the taxpayer must appeal it within 30 days.
  - 2 If a taxpayer chooses to have his, her or their case reviewed by another HMRC officer the taxpayer can never take the case to the Tax tribunal.
  - 3 The Tax tribunal holds a hearing in public for all cases it receives.
- A 1 and 2 only  
B 1 and 3 only  
C 2 and 3 only  
D All of them

**(2 marks)**

**5 Paddy is an employee.**

**Which of the following taxes does Paddy not suffer?**

- A Income tax
- B National insurance contributions
- C VAT
- D Corporation tax

**(2 marks)**

**6 Gamila wishes to appeal against an amendment to her income tax self-assessment return for the tax year 2024/25.**

**How long, from the date of the amendment, has Gamila got to lodge the appeal with HMRC?**

- A 14 days
- B 30 days
- C 1 month
- D 9 months

**(2 marks)**

**7 Which one of the following is not statutory legislation?**

- A Capital Allowances Act 2001
- B Extra Statutory Concession A16
- C Income Tax (Trading and Other Income) Act 2005
- D Statutory Instrument 2008/2682

**(2 marks)**

**8 Which of the following is not correct?**

- A Treasury appointed civil servants are responsible for the collection of UK taxation
- B The Tax tribunal is administered by the Tribunals service of the Ministry of Justice
- C A taxpayer has no right of appeal against the interpretation of legislation contained in HMRC guidance notes
- D The Chancellor of the Exchequer is responsible for the imposition of taxation

**(2 marks)**





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