ACCA Certificate in Taxation
(RQF Level 4)

FTX (FA2025)

Foundations in Taxation

EXAM KIT

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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

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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Quality and accuracy are of the utmost importance to us so if you spot an error in any of our products, please send an email to mykaplanreporting@kaplan.com with full details, or follow the link to the feedback form in MyKaplan.

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

INDEX TO QUESTIONS AND ANSWERS

EXAM TECHNIQUE

- We recommend that you always read the questions and examination requirements carefully.
- **Divide the time** you spend on questions in proportion to the marks on offer:
  - there are 1.2 minutes available per mark in the examination
  - within that, try to allow time at the end of each question to review your answer for errors.

  Whatever happens, always keep an eye on the clock and **do not over run on any part of any question!**
- Always start by carefully reading the question.
- Spend the last **five minutes** of the examination:
  - reading through your answers, and
  - **making any additions or corrections**.
- If you **get completely stuck** with a question, flag it in the CBE software and **return to it later.**

Multiple choice questions

- No credit for workings will be given in these questions; the answers will either be correct (2 marks) or incorrect (0 marks).
- Read the question thoroughly and try to figure out the answer without referring to the options available. Take note of words such as never/always or least/most which can change the meaning of the question.
- Work steadily. Rushing leads to careless mistakes and questions are designed to include answers that result from common mistakes.
- It is still important to carry out full workings for numerical questions, not just in your head or on your calculator as you are less likely to skip steps in the calculation this way. Then compare your answer to the choices given and (hopefully) pick the correct one. If your answer does not match any of the choices given, try to rework your answer.

  Remember, that the wrong answers (or 'distractors') have been deliberately calculated to provide answers students will calculate if they make simple mistakes such as forgetting to apply an exemption.

  For centre based exams these workings can be done on scrap paper or using the on-screen scratchpad. For remote invigilated exams you will not be able to use scrap paper but will have to use the scratchpad. It is therefore essential to practice using this functionality prior to your exam. The ACCA practice platform can be used to familiarise yourself with using this function.
- Make sure you answer all the multiple-choice questions. There is no negative marking, meaning that you will not be penalised for an incorrect answer.

  If you are unsure of the answer to a particular question, try to eliminate the options you are sure are incorrect and see if the correct answer becomes more obvious. If you are still unsure, remember that one of the choices must be correct, so guess!

EXAM SPECIFIC INFORMATION

THE EXAM

FORMAT OF THE EXAM

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

	Number of marks
Section A	
15 Multiple choice questions worth 2 marks each	30
Section B	
Eight compulsory questions	
Two questions (15 marks each)	30
Two questions (10 marks each)	20
Four questions (5 marks each)	20
	100

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

PASS MARK

The pass mark is 50%.

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

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 2025/26.

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)