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COLLEGE OF MANAGEMENT AND SOCIAL SCIENCES.
DEPARTMENT OF ACCOUNTING AND FINANCE
2018/2019 SESSION
TAXATION- ACC 313

PRACTISE QUESTION:

Motivation: Proverb 22:29

A. QUESTIONS ON COMMENCEMENT OF BUSINESS

1. SAU BAKERY PLC commenced business on 1/8/19. The profits made by the company in the first three years are as follows

₦

Year ended 31/10/20 -120,000,000

Year ended 31/10/21 – 100,000,000

Year ended 31/10/22 – 140,000,000

Required: Compute the Assessable profits for the three relevant tax years. Show all workings.

2. I AM A TRUE NIGERIAN PLC commenced business on 1/7/17. The adjusted profits of the company for the first few years of operation are as follows

₦

Year ended 30/11/18 -100,000

Year ended 30/11/19 – 150,000

Year ended 30/11/20 – 140,000

Required: Compute the Assessable incomes for the three relevant tax years. Show all workings.

3. I AM NOT AN AVERAGE STUDENT PLC commenced business on 1/06/06. The profits made by the company are as follows

₦

Year ended 31/8/07 -100,000

Year ended 31/08/08 – 150,000

Year ended 31/08/09 – 140,000

Required: Compute the Assessable profits for the relevant tax years. Show all workings.

4. I MUST MAKE MY PARENTS PROUD IN 2019 PLC commenced business on 1/09/08. The profits/losses made by the company are as follows

₦

Year ended 30/11/09 -90,000

Year ended 30/11/10 – 120,000

Year ended 30/11/11 – 110,000

Required: Compute the Assessable profits for relevant tax years. Show all workings.

5. I WANT TO MAKE SAU PROUD PLC commenced business on 1/8/05. The adjusted profits made by the company are as follows

₦

Year ended 31/8/06 -95,000

Year ended 31/8/07 – 100,000

Year ended 31/8/08 – 120,000

Required: Compute the Assessable Income for the three relevant tax years. Show all workings.

6. MY YEAR OF DIVINE INSPIRATION PLC commenced business on 1/4//07. The profit/loss made by the company is as follows

₦

Year ended 31/05/08-120,000,000

Year ended 31/05/09 – 10,000,000

Year ended 31/05/10 – 110,000,000

Required: Compute the Assessable profits for the three relevant tax years. Show all workings.

7. SAU PURE WATER PLC commenced business on 01/03/19. The Adjusted profits made by the company are as follows

N

Year ended 30/6/20 -150,000,000

Year ended 30/06/21 – 100,000,000

Year ended 30/06/22 – 140,000,000

Required: Compute the Assessable profit for the three relevant tax years. Show all workings.

8. I MUST WIN MONEY ON MY GRADUATION DAY PLC commenced business on 01/02/10. The profits made by the company in the first three years are as follows

N

Year ended 31/07/11 -20,000

Year ended 31/07/12 – 50,000

Year ended 31/07/13 – 100,000

Required: Compute the Assessable profits for the three relevant tax years. Show all workings.

9. FRIENDS' WILL NOT DESTROY MY LIFE THIS YEAR PLC commenced business on .01/03/19. The Adjusted profits for the first three years are as follows:

N

Year ended 31/04/20 -120,000

Year ended 31/04/21 – 150,000

Year ended 31/04/22 – 120,000

Required: Compute the Assessable profits for the three relevant tax years. Show all workings.

10. I WILL BE THE BEST ACCOUNTANT IN NIGERIA PLC commenced business on 01/05/10. The profits of the first few years are as follows;

N

Period ending in 30/06/11 -120,000

Year ended 30/06/11 – 105,000

Year ended 30/06/12 – 110,000

Year ended 30/06/13 -150,000

Required: Compute the Assessable profit for the three relevant tax years. Show all workings.

B. COMMENCEMENT QUESTIONS WITH ABNORMAL THIRD TAX YEAR

1. JESUS ALWAYS INTERCEDES FOR US PLC commenced business on 1/11/05. The profits made for the first three years are as follows

₦

Year ended 30/06/06 -200,000

Year ended 30/06/07 – 120,000

Year ended 30/06//08 – 180,000

Required: Compute the Assessable profits for the three relevant tax years. Show all workings.

2. I AM DETERMINED TO BE POSITIVELY DIFFERENT IN 2019 PLC commenced business on 01/08/15. The profits made by the company are as follows

₦

Year ended 30/06/16 -125,000

Year ended 30/06/17 – 400,000

Year ended 30/06/18 – 450,000

Required: Compute the Assessable profits for the three relevant tax years. Show all workings.

3. I WILL SURPRISE MR FEMI IN TAXATION IN 2019 PLC commenced business on 01/09/19. The Adjusted income for the first three years are as follows

₦

Year ended 31/10/20 -150,000

Year ended 31/10/21 – 160,000

Year ended 31/10/22 – 180,000

Required: Compute the Assessable profits for the three relevant tax years. Show all workings.

4. HOLY GHOST FIRE PLC commenced business on 01/04/05. The first amount of profits recorded for the first three years are as follows

N

Year ended 28/2/06 -110,000

Year ended 28/02/07 – 120,000

Year ended 28/02/08 – 140,000

Required: Compute the Assessable profits for the three relevant tax years. Show all workings.

5. OH GOD!! , I JUST WANT TO BE THE BEST IN TAXATION IN 300 LEVEL PLC commenced business on 01/07/10. The Adjusted Income for the first three years are as follows:

N

Year ended 31/03/11 -125,000

Year ended 31/03/12 – 120,000

Year ended 31/03/13 – 140,000

Required: compute the assessable profit for the three relevant tax years. Show all workings.