UNIVERSITI POLY-TECH MALAYSIA
UPTM

FINAL EXAMINATION
BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE	:	**ADVANCED TAX AND PLANNING**
COURSE CODE	:	**TAX4123**
DURATION	:	**3 HOURS**

INSTRUCTIONS TO CANDIDATES :

1. This question paper consists of **THREE (3)** questions.
2. Answer ALL questions in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of :
   i. The Question Paper
   ii. An Answer Booklet
4. Do not bring any material into the examination hall. The use of a calculators is allowed.
5. Please write your answer using permanent ink.

MYKAD/ PASSPORT NO. : ______________________

ID. NO. : ______________________

LECTURER : ______________________

SECTION : ______________________

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

The question paper consists of 5 printed pages including front page

QUESTION 1

EcoVolt Manufacturing Berhad is a Malaysian company engaged in a promoted manufacturing activity, namely the manufacture of solar photovoltaic (PV) modules which qualifies for Investment Tax Allowance (ITA) under the Income Tax Act 1967 and Malaysian Investment Development Authority (MIDA) guidelines. The company is located in Shah Alam, Selangor, and was incorporated in 2015. The principal activities of the company include the manufactured the energy-efficient electrical components. In addition, EcoVolt Manufacturing Berhad is involved in and specialised training programmes in green manufacturing technologies.

The company's financial year ends on 30 November each year. The following are the adjusted income/(loss) and other relevant financial details of EcoVolt Manufacturing Berhad for the last three years, for the purpose of determining its tax position and entitlement to Investment Tax Allowance (ITA):

	2024 RM	2025 RM	2026 RM
Promoted Products			
Adjusted Income/(Loss)	(1,200,000)	2,800,000	1,650,000
Balancing Charge	450,000		
Capital Allowances	(380,000)	520,000	590,000
Non-Promoted Products			
Adjusted Income/(Loss)	(220,000)	180,000	(60,000)
Balancing Charge			75,000
Capital Allowances	60,000	85,000	50,000
Other income & expenses			
Office rental income (Malacca)	120,000	135,000	150,000
Dividend from Padu Cooperative	35,000	28,000	20,000
Interest Income from BBM Bank	25,000	40,000	35,000
Contribution to approved institutions	20,000	25,000	25,000

Capital Expenditure	Date incurred	RM
Solar PV Manufacturing & Testing Lab	4 March 2024	2,800,000
Energy Simulation System	10 August 2024	350,000
Renewable Energy Infrastructure	18 September 2024	300,000
Power Electronics & Inverter Testing Lab	22 May 2025	500,000
Energy Storage Testing Centre	15 September 2025	450,000
Green Manufacturing Training Centre	13 July 2026	600,000

Required:

Compute the chargeable income and the amount to be credited to the exempt income account of EcoVolt Manufacturing Berhad for the years of assessment 2024, 2025, and 2026.

(Total: 30 marks)

QUESTION 2

Medicare Assets Real Estate Investment Trust (MAREIT) is an investment trust engaged in the ownership and management of healthcare-related properties, including medical office complexes, private hospitals, and rehabilitation centres, located throughout Malaysia. The acquisition of these healthcare properties was partly financed through borrowings obtained from MedTrust Finance Berhad. The following information is extracted from the financial records of Medicare Assets REIT for the financial year ended 30 September 2025:

i. Medicare Assets REIT generated a gross rental income of RM 24,500,000 from its portfolio.
ii. Operating expenses for the year assessment is RM11,300,000.
iii. During the year, Medicare Assets REIT received income as below:

	RM
Net rental income	13,200,000
Interest income from CIMB	450,000
Compensation from delayed completion of a new building	5,200,000

iv. Medicare Assets REIT incurred expenditure as below:

	RM
Manager's remuneration	800,000
Trustee's fee	2,500,000
Other operating expenses	9,600,000
Depreciation	900,000
Interest on mortgage loan	2,700,000

Additional information:

Profit before taxation	RM2,250,000
Capital allowance for the year	RM550,000
Other operation expenses include payment for registration of a new pharmaceutical patent	RM420,000
Distribution made to unit holders	RM3,200,000

Required:

a. Determine the chargeable income of Medicare Assets Real Estate Investment Trust for the year of assessment 2025. Write 'Nil' where no adjustment is required.

(7 marks)

b. Explain the tax implications for a listed REIT that intends to distribute 90% or more of its total income to unit holders under Section 61A(1) of the ITA 1967, including the tax responsibilities under Section 109D, and the consequences of non-compliance.

(10 marks)

c. Discuss how the distribution from REIT is treated for income tax purposes for resident individual and company.

(3 marks)

(Total: 20 marks)

QUESTION 3

The personal income tax returns of Zamzuri, a Malaysian resident, for the years ending 31 December 2024 and 2025, have been selected for review by the Inland Revenue Board (IRB). During the investigation, the following financial information was gathered. Zamzuri has appointed you as his tax advisor to prepare the Capital Statement based on the details provided below.

1. Zamzuri started his first business at Pengkalan Chepa, Kelantan on 1 January 2019 with an initial capital of RM400,000. The financial details are as follows:

As at 31 December	2023 RM	2024 RM
Balance of retained earnings	1,000,000	650,000
Drawings	90,000	250,000

   In January 2024, Zamzuri disposed his business at Pengkalan Chepa with a profit of RM150,000. Later, in July 2024, he established a new business at Kota Bharu which had net assets totaling RM650,000 as of 31 December 2025.

2. Zamzuri owns several properties as follows:

Property	Date of purchased	Cost (RM)	Market price (RM)
Serviced apartment	10 April 2018	380,000	900,000
Commercial land	20 October 2020	750,000	2,500,000
Terrace house	12 March 2025	900,000	320,000

   In February 2025, Zamzuri sold his serviced apartment for RM420,000. Subsequently, in November 2025, he acquired a townhouse in Taman Putra Perdana for RM560,000, paying a down payment of RM120,000, with the remaining RM440,000 financed via a bank loan, scheduled to be repaid over 20 years with monthly installments beginning January 2026.

3. In 2017, Zamzuri borrowed RM200,000 from his sister, Fatimah, and gradually made repayments over the following years. By 31 December 2024, the outstanding loan balance stood at RM85,000, which he fully settled in 2025.

4. In 2022, Zamzuri purchased 130,000 shares of Zola Tech Bhd at RM2.50 per share. On 15 May 2025, he sold 80,000 of these shares at RM2.00 per share, incurring brokerage fees of RM5,500.

5. In May 2025, Zamzuri purchased a Toyota Corolla for RM85,000, and later on 12 November 2025 he decided sold it at RM68,000 because the car is no longer suitable for his family. He also owns a Honda CR-V, which he bought in 2021 for RM120,000, and he has never missed a monthly car loan payment of RM1,000 since January 2021.

6. Zamzuri inherited two pieces of commercial land (each valued at RM35,000) from his late father in 2006. He sold one plot in June 2025 for RM80,000.

7. In 2021, Zamzuri gave an interest-free loan of RM200,000 to his close friend, Amin who agreed to make monthly repayments of RM4,000 starting from January 2022.

8. In 2023, Zamzuri incurred monthly household expenses of RM3,500. This level of spending is expected to increase by 10% each year, reflecting rising living costs and general inflation.

9. **Other personal transactions:**
   - In July 2023, Zamzuri gave his nephew an interest-free loan of RM160,000. Unfortunately, his nephew passed away in April 2025, and according to Zamzuri, he had only repaid 60% of the loan by the end of 2024.
   - Zamzuri's wife purchased gold jewelry worth RM7,000 in 2024 and RM25,000 in 2025. She has not worked since their marriage.
   - Zamzuri took his family on a holiday to Langkawi in 2024, spending RM13,000. Meanwhile, in 2025, he took his family on a holiday to Kuta, Bali, with a total cost of RM25,000.

10. Other Expenses and Bank Balances:

As at 31 December	2023 RM	2024 RM	2025 RM
Insurance premium paid to Prudential	35,000	45,000	65,000
Car maintenance	15,000	13,000	25,000
Cash donations to approved institutions	20,000	20,000	20,000
Bank account balances			
Hong Leong Bank	50,000	100,000	200,000
Bank Rakyat	30,000	100,000	150,000

11. In 2022, Zamzuri began paying monthly income tax installments of RM4,000, based on his estimated annual income for that year. Since then, he has continued to make the same monthly payment, under the assumption that his income remains relatively stable from year to year. He has not adjusted the installments to reflect any changes in his earnings, believing that maintaining a consistent payment schedule simplifies his financial planning and ensures he meets his tax obligations on time.

Required:

Based on the information provided, compute the undisclosed income (if any) for the year of assessment 2025.

(Total: 50 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER